Ontario

THE ONTARIO OPERATING FUNDS DISTRIBUTION MANUAL

A Manual Governing the Distribution of Ontario Government Operating Grants to Ontario Universities and University-Related Institutions (Formula Manual)

1998-99 FISCAL YEAR

Universities Branch
Ministry of Training, Colleges and Universities
Toronto, Ontario

Issue Date: 1 September 1999

101-05772/

FOREWORD

In case of conflict, rulings and interpretations in this manual take precedence over those contained in any other document referred to by this manual; however, any such conflict should be brought to the attention of the Director, Universities Branch, Ministry of Training, Colleges and Universities.

Under no circumstances should a university make decisions unilaterally on matters requiring an interpretation of the distribution mechanism. Whether the problem is one of definition, one of programs not specifically identified in the categorization scheme, or one of exceptional circumstances requiring special consideration, the matter should be raised formally--prior to completion and submission of enrolment reports--by writing to the Director, Universities Branch.

The ministry fiscal year covered by this edition of the manual is 1998-99. Unless otherwise indicated, the rulings, procedures and definitions, etc., contained herein apply to the whole of this fiscal year.

JUL 16 2001
RECEIVED

TABLE OF CONTENTS

1. GENERAL 1
- 1.1. Definitions 2
  - 1.1.1. Institution 2
  - 1.1.2. Program 2
  - 1.1.3. Transfer 2
  - 1.1.4. Program Level 2
  - 1.1.5. Professional 3
  - 1.1.6. One Full Term or Its Full-Time Equivalent 3
  - 1.1.7. Dependent 3
- 1.2. Historical Background 4
- 1.3. Outline of Distribution Mechanism for 1987088 and Beyond 5
  - 1.3.1. Basic Grants Envelope 7
  - 1.3.2. Enhanced Accessibility for Students with Disabilities Envelope 8
  - 1.3.3. Fair Funding for Universities Grant 8
  - 1.3.4. Mission-Related Institution-Specific Envelope 9
    - 1.3.4.1. Northern Ontario Grants 9
    - 1.3.4.2. Bilingualism 10
    - 1.3.4.3. Differentiation 11
    - 1.3.4.4. Extraordinary Grant to Algoma 12
  - 1.3.5. Research Overheads/Infrastructure Envelope 13
  - 1.3.6. Special Purpose Grant 14
  - 1.3.7. Institution-Specific Grants 14
  - 1.3.8. Pay Equity Assistance 14
  - 1.3.9. Learning Opportunities Task Force 15
  - 1.3.10. Partnership Grants 15
    - 1.3.10.1. Access to Opportunities Program 15
    - 1.3.10.2. Graduate Scholarships in Science and Tech. . . 16
  - 1.3.11. Enrolment Adjustment/Accessibility Envelope 17
    - 1.3.11.1. Enrolment Adjustment: 1987-88 Grants 17
    - 1.3.11.2. Accessibility Envelope: 1988-89 Grants 18
    - 1.3.11.3. Accessibility Envelope: 1989-90 Grants 18
    - 1.3.11.4. Accessibility Envelope: 1990-91 Grants 18
    - 1.3.11.5. Accessibility Envelope: 1991-92 Grants 19
    - 1.3.11.6. Accessibility Envelope: 1992-93 Grants 19
  - 1.3.12. Transition Grants Envelope 19
  - 1.3.13. Program Adjustment Envelope 19
  - 1.3.14. Library Enhancement and Student Equipment Fund . . 20

2. ELIGIBLE INSTITUTIONS 21
- 2.1. Provincially Assisted Institutions 21
  - 2.1.1. College of the Dominican or Friar Preachers of Ottawa 21
- 2.2. Church-Related and Federated or Affiliated Institutions 22
  - 2.2.1. Conditions for Funding Eligibility: Students 22
  - 2.2.2. Conditions for Funding Eligibility: Non-Theological Programs 23
  - 2.2.3. Conditions for Funding Eligibility: Theological Programs23

TABLE OF CONTENTS (CONTINUED)

3. ELIGIBLE PROGRAMS 24
3.1. Program Approval Policy 24
3.1.1. Historical Record 24
3.1.1.1. Undergraduate Programs: 1974 to Nov. 1, 1981 24
3.1.1.2. Undergraduate Programs: Nov. 2, 1981 to Dec. 15, 1982 24
3.1.1.3. Undergraduate Programs: Dec. 16, 1982 To Nov. 7, 1996 24
3.1.2. Current Policy: Undergraduate Programs 25
3.1.2.1. Basic “Core” Arts and Science Programs 25
3.1.2.2. All Other New Undergraduate Programs 25
3.1.2.3. Graduate Programs to 1978 26
3.1.2.4. Graduate Programs: 1978 to November 7, 1997 26
3.1.3. Current Policy: Graduate Programs 26
3.1.3.1. New Graduate Programs 26
3.1.3.2. Existing Graduate Programs 26
3.1.4. Closed, Merged, Rationalized/Restructured Programs 27
3.1.5. Full-Cost Recovery Programs 27
3.1.6. Additional Cost Recovery Programs 27
3.2. Categorization and Weighting 28
3.2.1. General 28
3.2.2. Undergraduate: Diploma and First Degree 28
3.2.3. Undergraduate: Miscellaneous 29
3.2.4. Graduate Programs 31
3.2.5. Special Notes 32

4. ENROLMENT REPORTING REQUIREMENTS 33
4.1. Eligible Students 33
4.1.1. Citizens 33
4.1.2. Permanent Residents 33
4.1.3. Eligible International Students 34
4.1.4. Additional Cost Recovery Programs 35
4.2. Ineligible Students 35
4.2.1. Auditors 36
4.2.2. Full-Cost Recovery Programs 36
4.2.3. Ineligible Church-Related Institutions 36
4.2.4. Ineligible International Students 37
4.2.5. Ineligible Students: Miscellaneous 37
4.2.5.1. Ineligible Undergraduate Students 37
4.2.5.2. Ineligible Graduate Students 37
4.3. Part-Time Studies 38
4.3.1. Faculty and Teaching Staff 38
4.3.2. Academic Structure 38
4.3.3. Admissions, Examinations and Academic Regulations 38
4.3.4. Scheduling 38
4.3.5. Interpretation 39
4.4. Reporting of Undergraduate Student Levels 39
4.4.1. Definitions 39
4.4.1.1. Term 39
4.4.1.2. Academic Year 39
4.4.1.3. Normal Full-Time Study Load 39
4.4.1.4. Unit of Study 39

TABLE OF CONTENTS (CONTINUED)

4.4.1.5. Registration Level 39
4.4.1.6. Fiscal Full-Time Equivalent 40
4.4.2. Application of Definitions 40
4.4.2.1. FFTE of Programs Defined by Unit of Study . . 40
4.4.2.2. FFTE of Programs Defined by Academic Year . 40
4.4.2.3. FFTE of Programs Incorporating Normal Full-time Study Load 40
4.4.2.4. FFTE of Students in Credit Courses/Study Units of Study 41
4.4.2.5. FFTE of Students in Summer Session 41
4.4.3. Concurrent Programs 41
4.4.4. Eligibility of Courses/Units of Study 41
4.4.5. Diploma or Certificate Programs 41
4.4.6. Certificate Programs at Ryerson 42
4.4.7. Additional Qualification Courses for Teachers 42
4.4.8 Differentiating Enrolment Between Honours and General Programs in Arts and Science 42
4.4.8.1. Student Declarations 43
4.4.8.2. University Attestations 44
4.4.8.3. Implementation 45
4.4.9. Arts and Science Programs Not Differentiated Between General and Honours 46
4.4.10 Imputing Procedure for Undifferentiated First Year Programs 46
4.5. Reporting of Graduate Level Students 47
4.5.1. Graduate Student Status 47
4.5.2. Full-Time Graduate Student 47
4.5.3. Part-Time Graduate Student 48
4.5.4. Counting of Graduate Student FTE 48
4.5.5. Minima-Maxima Provisions 48
4.5.5.1. Effective Dates 49
4.5.5.2. Minima Provisions 49
4.5.5.3. Maxima Provisions 49
4.5.5.4. Claiming (or Deducting) of BIUs Under Minima/Maxima Provisions 49
4.5.6. Transfer of Entitlement 50

5. SPECIAL PROVISIONS 51
5.1. Tuition Fees 51
5.1.1. Regular Tuition Fees 51
5.1.2. Discretionary Fees 51
5.1.2.5. Additional Cost Recovery Fees 52
5.1.3. International Student Tuition Fees 52
5.2. Compulsory Ancillary Fees 53
5.3. Exchange Programs and Study Abroad Courses/Programs 56
5.4. Students Enrolled at Unrelated Institutions 58
5.4.1. Cooperative Programs 58
5.4.2. Letter of Permission 58
5.4.3. Visiting Graduate Students 58

APPENDICES

Appendix 1.2	Summary of Major Changes in the Formula, 1967-68 to 1986-87
Appendix 1.3.2	Enrolment Adjustment/Accessibility Envelope/ Transition Envelope
Appendix 1.3.4.1	Northern Grants
Appendix 1.3.4.2	Bilingualism Grants
Appendix 1.3.4.3	Differentiation Grants
Appendix 1.3.4.4	Extraordinary Grants (Algoma College)
Appendix 1.3.5.	Research Overheads/Infrastructure Envelope
Appendix 1.3.8	Pay Equity Envelope
Appendix 3.1	Program Approvals Process
Appendix 4.0	Enrolment Audit
Appendix 5.1.1	Ontario University Standard Fee Schedule, Regular Fees,1997-98 and 1998-99
Appendix 5.1.2.2	Ontario University Regular (Domestic) Tuition Fee Rates (Standard and Total Including Discretionary Component) 1997-98 and 1998-99
Appendix 5.2:	
Part A	Certification of Compulsory Ancillary Fees Charged to Students
Part B, Section I	Requirements for Protocols - Compulsory Non-Tuition-Related Ancillary Fees
Part B, Section II	Examples of Compulsory Non-Tuition-Related Ancillary Fees That Might Be Required For Inclusion in Protocols
Part C	Fees for Field Trips, Materials and Services Which Are Exempted From Section 5.2.7
Part D	Eligible Compulsory Non-Tuition-Related Ancillary Fees Associated With Work Term Placements

1. GENERAL

The purpose of a distribution mechanism or formula is to provide an objective method for determining the share of the provincial operating grant to be allocated to each university. The Ontario distribution mechanism aims to ensure a reasonable degree of equity in the distribution of available government support. It does not in itself provide the basis for determining the level of such support.

It should be noted that the distribution mechanism is not intended to limit or control the expenditure of funds granted to the universities, except in the case of specifically-targeted special purpose grants.

The non-targeted university operating grants may be applied to any eligible university operating expenditure. Eligible expenditures include all operating expenditures except those related to:

(a) assisted/sponsored research,

(b) principal and interest payments on capital indebtedness,

(c) student aid,

(d) ancillary enterprises,

(e) capital projects.

1.1. Definitions

A series of definitions used generally throughout this manual follows. Detailed definitions used in the calculation and reporting of enrolment for funding purposes are contained in Section 4 (Enrolment Reporting Requirements).

1.1.1. Institution

For the purposes of this manual, "institution" means an eligible institution as listed in Section 2.

1.1.2. Program

For the purposes of this manual, a program is defined as a sequence of courses or other units of study prescribed by an institution for the fulfilment of the requirements of a particular degree, diploma or certificate.

1.1.3.Transfer

A transfer is defined as a change from one sequence of courses or other units of study that fulfils the requirements of a degree, diploma or certificate to another sequence of courses that fulfil the requirements of a different degree, diploma or certificate, even if course credits are transferred from one program to the other.

1.1.4. Program Level

For the purposes of this manual, the program levels are defined as follows:

- preliminary or qualifying year
- diploma
- certificate
- undergraduate baccalaureate
- professional
- master's
- doctoral
- special or unclassified

1.1.5. Professional

As used in this manual, "professional" refers to programs leading to diplomas or degrees in the following disciplines:

Agriculture
Architecture
Commerce & Business Administration
Dentistry
Divinity/Theology
Education
Engineering
Forestry
Household and Food Science
Hygiene and Public Health
Journalism
Law
Library Science
Medicine
Music
Nursing
Optometry
Pharmacy
Physical and Health Education and Recreation
Physio and Occupational Therapy
Secretarial Science
Social Work
Veterinary Medicine and Animal Science

1.1.6. One Full Term or Its Full-Time Equivalent

This is defined in detail in Section 4 (Enrolment Reporting). For undergraduate work, this means at least 0.5 FFTE. For graduate work, this means a minimum of a 1.0 term FTE.

1.1.7. Dependent

For purposes of this manual, a dependent of a person includes his/her:

a) spouse,
b) unmarried child, or
c) spouse's unmarried child.

1.2. Historical Background

The idea of devising an objective mechanism to allocate operating grants to Ontario Universities was deliberated for many years. A strong endorsement of this principle came from the 1965 Bladen Commission report.

The distribution of operating funds to Ontario universities by means of an enrolment-based formula was first introduced for the 1967-68 fiscal year. The various programs were weighted to approximate relative costs. Basic income unit (BIU) counts were generated by multiplying full-time equivalent (FTE) enrolment by the appropriate program weights. (The weights range from 1.0 to 7.5). To calculate the grant entitlement for each institution, the value of the basic income unit was determined by government, on the advice of the Committee on University Affairs. The dollar amounts of basic operating income (BOI) were calculated by multiplying the BIU counts by the BIU value. Formula fee rates were set for each program by the government, and reviewed each year. The full-time equivalent enrolment was multiplied by these fee rates to calculate total formula fee income. These formula fees were subtracted from basic operating income to determine each institution's operating grants.

Appendix 1.2 summarizes the changes in the formula between 1967-68 and 1986-87. The first version of the formula was used to determine the allocation of operating grants from 1967-68 through to 1972-73, with only some minor adjustments in weighting schemes and in the calculation of full-time equivalency. However, during this period, a change in policy occurred, whereby the government determined the total available operating grant dollars, rather than the BIU value for the year. This resulted in the formula becoming purely a mechanism for determining the distribution of grants between institutions, rather than the determining factor for the total amount of operating support provided. The BIU value was thereafter merely an artifact, determined by dividing the total available dollars by the total number of funding units in the system.

For the 1973-74 fiscal year, in response to representations from institutions, "slip-year" financing was introduced. Under this scheme, grants were distributed on the basis of the previous, rather than the current year's enrolment, thus permitting more effective planning in the institutions. Grants for the years 1973-74 through to 1975-76 were calculated in this way, with a few more minor changes in weighting and FTE calculation.

For the 1976-77 fiscal year there was a major change in the way that students were counted, with the simultaneous introduction of fractional unit counting and multiple term reporting for all students at the undergraduate level. Also in that year, a freeze was introduced on the graduate counts for funding purposes: the 1975-76 level was to be used for three years. Moreover, to reduce the sensitivity of the distribution mechanism to changes in enrolment at all levels the formula now took into consideration more than one year of enrolment data: in 1976-77 the grants were based on one-third 1974-75 and two-thirds 1975-76 undergraduate data; in 1977-78 an average of the previous three years was used.

For the distribution of 1978-79 operating grants, the formula was amended again: the notion of enrolment averaging to reduce sensitivity to enrolment fluctuations was retained, and the concept of base (or "fixed cost") and moving average (or "variable cost") was introduced. The base years were set at 1974-75, 1975-76 and 1976-77; the moving average consisted of the three years immediately prior to the grant year. To further reduce sensitivity to enrolment changes a factor was introduced which effectively discounted increases or decreases in enrolment beyond the base levels.

This formula remained in operation for grant distribution up to and including grants for 1983-84. The freeze on graduate student counts for funding purposes was lifted for grants distributed in 1979-80. The discount factors employed were fifty per cent at the undergraduate and master's graduate levels, and sixty-six and two-thirds per cent at the doctoral graduate level.

Operating grants for 1984-85, 1985-86 and 1986-87 were distributed on the basis of an "interim formula", consisting of two-thirds of the "old" formula and one-third of the "new" formula.

This "new" formula attempted further to reduce sensitivity to enrolment fluctuations, and to combat some concerns about the use of 1974-76 enrolment levels as a base. The "new" base funding BIU and formula fee counts consisted of the average of the old base years (1974-5, 1975-76, and 1976-77) together with the three years having the highest BIU counts between 1974-75 and 1982-83. This average was thus based on different years depending on the institution concerned. A moving-average BIU and fee counts were calculated from the latest three years, as before, but were the basis for only twenty-five per cent of the grant distributed by the "new" formula, at all levels.

1.3. Outline of Distribution Mechanism for 1987-88 and Beyond

On December 17, 1986, the Chairman of the Ontario Council on University Affairs delivered Advisory Memorandum 86-VII, "Modification of the Operating Grants Formula" to the Minister of Colleges and Universities. This advisory memorandum recommended a new operating grants allocation mechanism for 1987-88 and beyond.

Council reaffirmed its objectives for the operating grants distribution mechanism, as outlined previously in Advisory Memorandum 77-VII, "The Ontario System: A Statement of Issues", and re-iterated in Advisory Memorandum 82-XV. The objectives were to provide:

1. funding stability by preventing extreme fluctuations in institutional income;

2. funding predictability to assist institutions in their planning efforts;

3. equitable allocations among institutions;

4. accountability to the public by linking funds to some quantifiable factor; and

5. a method that is simple to use, understandable and practical to implement.

Earlier in 1986, the council had consulted with the institutions on the priority that should be attached to each of these objectives. In general, institutions attached highest priority to funding stability and/or equitable allocation rather than to the other objectives. The primary direction for formula revision chosen by the council was, therefore, enhanced funding stability, in order to achieve the following aims:

(a) protect institutions' funding from the impact of the actions of other institutions;

(b) reduce the incentive for institutions to use growth only for the purpose of increasing their share of total operating grants;

(c) provide the opportunity for quality considerations as well as for quantity considerations in academic decisions; and

(d) reduce short-term variations in funding which may result from fluctuating enrolment patterns in future years.

A secondary direction undertaken in this formula revision was to address some of the concerns raised by institutions about the fairness of the existing formula in recognizing individual institutional needs. The council undertook to address those concerns only if there were new funds available to support adjustments. Such adjustments were not to be made in a zero-sum situation where they would result in reductions in funding for other institutions. The Minister, on November 3, 1986, announced that funds had been made available for the council to address concerns about the recognition of expanded instructional and research activity, and the special needs of the northern institutions. The council, therefore, had two additional aims for its formula revision related to instructional concerns:

(a) to provide appropriate recognition for relative changes in past levels of activity by adjusting the level of funding with due regard to the past legacy of funding patterns; and

(b) to adjust institutional funding over the long term, in relation to changing levels of activity.

The council's recommended formula revision was a multi-faceted system of operating grant distributive mechanisms, with a number of different functions, but integrated in total impact. It is based on an "envelope" approach to operating grants allocation.

Five separate envelopes were designated for 1987-88:

(1) Basic Grants Envelope;
(2) Enrolment Adjustment/Accessibility Envelope;
(3) Mission-Related Institution-Specific Envelope for:
    (a) Northern Mission,
    (b) Institutional Weights (Ryerson and OCAD),
    (c) Bilingualism,
    (d) Differentiation;
(4) Research Overheads/Infrastructure Envelope; and
(5) Program Adjustment Envelope.

In April 1988, the Minister requested that the OCUA provide advice on a new approach to funding for 1990-91 and subsequent years, to take into account the enrolment growth in 1989-90 and previous years, and to promote a planned and coordinated approach to future growth.

On March 30, 1989, the council provided its advice[1], and the Minister accepted a plan for the modification of the corridor mid-points to accommodate growth in the system.

On March 31, 1990, the council provided advice on the new corridor mid-point levels[2].

Changes have been made to the envelope structure, as required, since 1987-88. The various envelopes are described below.

1.3.1. Basic Grants Envelope

The basic grants allocation mechanism operates in the following manner:

(1) To begin with, each institution's share of the total basic grant equals its share of 1986-87 formula grants.

(2) Institutions continue to receive approximately this level of "real" basic grants, so long as their "moving-average" of basic income units (BIUs) remains in a corridor of ± 3%. The only variation in an institution's funding would be the tuition fees gained or lost by varying levels of enrolment.[3]

(3) When an institution's moving-average BIUs fall below its corridor, it would have its BOI, and hence basic grants, reduced in line with the decline in BIUs. Under the terms of the formula devised by the Ontario Council on University Affairs, the institution may negotiate for the establishment of a new corridor lower than its current one at a lower level of basic grants to avail itself of the funding stability inherent within a corridor. A new corridor would be based on an agreed plan. The institution would be able to approach the ministry prior to, or after, going below its floor.

(4) When an institution's moving-average BIUs go above its corridor, it would receive no automatic increase in basic grants, but would retain all incremental

---

[1] The Ontario Council on University Affairs, Advisory Memorandum 89-II, "Modification of the Operating Grants Formula".

[2] The Ontario Council on University Affairs, Advisory Memorandum 90-I, "Revisions to Universities Formula Grants Envelope Corridor Mid-Points as a Result of the 1989-90 Corridor Negotiations".

[3] This assumes that total basic grants and formula fee rates increase annually at the same rate. If the percentage increases in total basic grants and formula fee rates differ, the rate of increase in basic grants may vary among institutions according to the proportion of BOI funded by fees at each institution. In this context "real" basic grants refers to the 1986-87 formula grants escalated by the annual increase in system-wide formula grants.

tuition fees. With the agreement of the ministry, and if it approaches the ministry prior to going above its ceiling, the institution may negotiate the establishment of a new corridor above its current level at a higher level of basic grants. A new corridor would be based on an agreed plan.

(5) The 1987-88 basic grants entitlements were adjusted as the enrolment/accessibility and institutional weight adjustments were applied.

(6) Between 1990-91 and 1995-96, the basic grants entitlements were adjusted to reflect the revised corridor mid-points which had been negotiated by the institutions with OCUA during 1989-90. The adjustments were made via a temporary "transition grant" envelope and provided added funding based on revised moving-average enrolment counts. In 1996-97, funding allocated under the transition envelope was integrated with the basic grant envelope allocation.

1.3.2. Enhanced Accessibility for Students with Disabilities Envelope

This envelope grew out of the Enrolment Adjustment/Accessibility Envelope (described in Sections 1.3.11). Funding specifically targeted to assisting disabled students commenced 1989-90 (see Appendix 1.3.2). Until 1994-95, grants were allocated on the basis of each institution's share of base BIUs, subject to a funding floor provision that was established to ensure staffing of an office dedicated to serving persons with disabilities. Commencing 1994-95, funding is distributed according to a three-year moving average of full-time equivalent student enrolments, again with a funding floor provision.

1.3.3. Fair Funding for Universities Grants

In the budget of May 1998, the government announced that an additional $29 million would be allocated to universities to reduce the variations in funding per student which had developed over the years. Funding was allocated based on the corridor midpoints used for the 1998-99 funding year. An estimate of discretionary fee revenue was added to the income from standard fees and basic grants for 1998-99, and Fair Funding Grants calculated based on the difference in revenue per corridor midpoint BIU from $5,704 multiplied by the number of units in each institution's corridor midpoint count.

The additional funding is to be phased in over three years, $10 million in 1998-99, $20 million in 1999-00 and $29 million in 2000-01. In 1998-99 terms all institutions will have revenue per corridor midpoint BIU of a minimum 99.45% of the provincial average when the program reaches maturity. The intent is to roll these grants in to the basic grants envelope as a permanent addition to the share of BOI for each of the recipient institutions when the program is complete.

Grant recipients must provide a five year plan to hire new faculty and to provide professional development to existing faculty, with a view to enhancing the quality of undergraduate education. When the planned activities are complete, the funds will be rolled in to the basic grants envelope (in 2003-04).

1.3.4. Mission-Related Institution-Specific Envelope

This envelope comprises the former category of operating grants known as "extra formula" which incorporated the special northern grants. Extraordinary grants are included in this envelope from time to time.

1.3.4.1. Northern Ontario Grants

In 1997-98, as a result of the dissolution of the Ontario Council on University Affairs and the need to streamline funding related activity within a down-sized ministry, the former Northern Ontario Operations Grants, the Northern Ontario Mission Grants, and the Off-Campus special grants were combined in to one Northern Ontario Grant. Special reporting requirements for the Off-Campus and Northern Mission Grants were discontinued, and the allocation of Northern Grants for 1997-98 and subsequent years is to be made in the same proportion as the sum of its predecessor grant allocations.[4] The purpose of the grant program remains that of its predecessor programs, described below.

(1) Northern Ontario Operations Grants

Northern Ontario grants are provided to the northern institutions to offset the extra costs faced by these universities. Besides those due to environmental factors, costs include those due to the isolation of northern universities, and the consequent need to maintain a more varied minimum range of programs than would be feasible without extra support. Support levels were determined by OCUA as a percentage of prior year's basic operating income, or in terms of the percentage increase in prior year's basic operating income. The "mini-formula" used for the calculation was outlined in OCUA Advisory Memorandum 75-VII. In Advisory Memorandum 88-III "Northern Ontario Grants Review", the council recommended that this grant continue to be distributed according to the same mini-formula. This advice was accepted by the Minister, and grants were allocated in this manner until 1992-93. In response to restricted grants in 1992-93 and subsequent reductions in grant levels, OCUA advised that use of the mini-formula be suspended and grants have been allocated annually according to the shares in effect in 1991-92 since that year. The allocation of the northern Ontario operations grants from their inception in 1975-76 up to the 1996-97 year is detailed in Appendix 1.3.4.1.

(2) Northern Ontario Mission Grants

Starting in 1987-88, a special annual grant allocation was made to the northern institutions to address particular needs in providing mission-related university-level education "for the north" in northern Ontario. In Advisory Memorandum 88-III, the council advised that this grant be distributed to the northern institutions in the same proportions as the northern Ontario operations grants.

The council recommended that the institutions at the beginning of each fiscal year be required to report to the council how these funds were to be spent to support activities related to their northern Ontario mission and that they be required to report to the ministry three months after the end of each fiscal year as to how the funds were spent. The need for an evaluation was re-affirmed in Advisory Memorandum 89-III. The evaluation was undertaken in 1992-93, and the resultant recommendations, accepted by the Minister, were put forward in Advisory Memorandum 92-XI. In summary, Council recommended that the grant recipients establish separate and specific accounting for funds that were expended under the terms of this envelope and that the definition of eligible expenditures excluded:

---

[4] In the case of Off-Campus grants the amount which was rolled in to the Northern Grant was an average of the enrolment based grants over the previous five years. This compensated for annual variations in grant levels between institutions which occurred because of the enrolment based nature of the funding.

- all activities that could be eligible for funding under the Off-Campus Grant Envelope which is administered by the Ministry;
- practice teaching and related costs normally provided for through the weight of 2 that is allocated to teacher education;
- all off-campus activities not directly related to the Northern Mission teaching and research functions of the university or college;
- sabbaticals; and
- library expenditures not directly related to activities that are unique to Northern Ontario Mission Grants.

The Ministry undertook to perform both pre- and post-fiscal year monitoring. At the beginning of each fiscal year, eligible institutions seeking Northern Ontario Mission grants were required to submit to the ministry a planned expenditure report indicating how the funds were to be spent to support activities related to their northern Ontario mission. In addition, three months after the end of the fiscal year, grant recipients were required to submit to the ministry a report of how the funds were actually spent.

1.3.4.2. Bilingualism

The Government of Ontario has provided special bilingualism grants since 1967-68, in recognition of the costs incurred for this purpose by various institutions. These grants finance three main objectives. First, to provide educational opportunities in their own language to Franco-Ontarians. Second, to make available in institutions of different sizes parallel course streams in a bicultural ambience for both English and French language groups.

Third, to provide bilingual and bicultural exposure to anglophone and/or francophone groups.[5]

In Advisory Memorandum 83-IX, the Ontario Council on University Affairs documented the incremental cost of existing bilingualism programs using 1981-82 cost data. On the basis of the study's findings, the level and distribution of bilingualism grants were adjusted in 1984-85 to reflect more accurately the incremental costs of bilingualism. This distribution among institutions formed the basis of bilingual grant allocations for the period 1984-85 through to 1988-89. The Ontario Council on University Affairs completed its third cost study of bilingualism in 1988-89, using 1987-88 data. The methodology was revised to include associated computer costs. The recommendations were presented in Advisory Memorandum 89-III and they incorporated the recommendation in Advisory Memorandum

---

[5] Ref. First Annual Report, Ontario Council on University Affairs, 1974-75.

88-IV, that an additional $5.0 million be provided for bilingualism programs in 1989-90. The total funds available for annual distribution within this program are equal to the previous year's grants increased by the percentage increase in the total university-system basic operating grants. The amounts allocated each year since 1967-68 are contained in Appendix 1.3.4.2.

On January 9, 1992 the Minister of Education and Training asked that the Advisory Committee on Francophone Affairs (ACFA/CCAF) assess the extent to which the bilingualism grants envelope and the start-up/development and maintenance grants from the special purpose grants envelope contribute to the development of a complete range of French language programs and services at the university level [6]. Before its abolition in December, 1993, ACFA/CCAF submitted its report to the Minister. The report was passed on to the Franco-Ontarian Education and Training Council (FOETC), which was mandated to make recommendations on French-language education. With the dissolution of FOETC in August, 1996, the responsibility for recommendations for French-language programs and services at the university level was transferred to the Consortium des universités de la francophonie ontarienne (CUFO). In 1996, the start-up/development and maintenance grants were eliminated and the maintenance grant was amalgamated with the bilingualism grants. CUFO is currently working on an accountability framework for the bilingualism grants.

1.3.4.3. Differentiation

In 1981-82, a new category of operating fund grants was introduced: differentiation grants. In prior years the Ontario Council on University Affairs had repeatedly stated its belief that there was a need for system-wide rationalization. This, it was felt, should be achieved primarily through institutional role differentiation. The council believed that each institution must identify its existing strengths as a basis for planning and development, and channel its initiatives in relation to those strengths. The council considered that differentiation grants were appropriate when an institution accepted a clearly differentiated role, demonstrated its intention to pursue its strengths efficiently and effectively, and required special funding to do so. The renewal or continuation of such a grant depends entirely on the progress the institution makes towards attaining its goals over the period for which the grant is awarded.[7] In 1987-88, the principle of a continuing differentiation grant was established. This new phase in the differentiation grant is geared towards maintaining a previously established differentiated role.[8]

---

[6] Letter from the Honourable Richard Allen, Minister of Colleges and Universities, to Ms Dyane Adam, Chair, Advisory Committee on Francophone Affairs.

[7] The Ontario Council on University Affairs, in Advisory Memorandum 80-VI, "The Allocation of the Government's Operating Support for the University System in 1981-82".

[8] The Ontario Council on University Affairs in Advisory Memorandum 87-I, "The Allocation of the Government's Operating Support for the University System in 1987-88".

Trent University was the first recipient of a differentiation grant. In the course of its development, Trent has chosen to differentiate itself from the other institutions in the Ontario university system and has a particular role to play as the only institution in the province engaged almost entirely in undergraduate Arts and Science instruction.

In 1988-89, the Ontario Council on University Affairs initiated a thorough review to identify and estimate the incremental costs of Trent's differentiation. The findings are documented in Advisory Memorandum 89-IV. As a result of the findings, it was recommended in Advisory Memorandum 89-III that the level of the differentiation grant should be increased or decreased annually by the percentage increase or decrease in basic funding. Since 1996-97 Trent's differentiation grant has been flat-lined.

In 1998-99 Nipissing University became the second university to be awarded a differentiation grant. Nipissing's grant, similar to Trent's, was given to support Nipissing's differentiated role as a primarily undergraduate university.[9]

The differentiation grants awarded since 1981-82 are detailed in Appendix 1.3.4.3.

1.3.4.4. Extraordinary Grant to Algoma

In Advisory Memorandum 88-VIII, the Ontario Council on University Affairs responded to the Minister's May 27, 1987 request for advice regarding the appropriateness of Algoma College's mission, range of programs and course offerings, and also Algoma's capital and operating support requirements. Upon acceptance of council's advice, the Minister awarded Algoma College an extraordinary operating grant for the first time in 1989-90, subject to the conditions noted in the advisory memorandum. Follow-up cost studies and reviews were carried out by OCUA to determine/recommend annual allocations.[10] The level of funding allocated each year is shown in Appendix 1.3.4.4.

---

[9] Advisement Letter from B. James Mackay, Director Universities Branch dated March 30, 1999 to Executive heads.

[10] The Ontario Council on University Affairs in Advisory Memorandum 90-VII, "Extraordinary Grant for Algoma College 1990-91" and Advisory Memorandum 92-XI, "The Allocation of the Government's Operating Support for the University System in 1993-94". The annual change in funding level has been tied to the annual adjustment (increase or decrease) to the basic operating grant envelope.

1.3.5. Research Overheads/Infrastructure Envelope

During the discussions which took place in 1985-86 surrounding the modification of the university operating grants formula, concern was expressed about the level of funding provided for the overhead costs of sponsored research through the existing formula grant mechanism. It was pointed out that sponsored research activity and direct funding had increased significantly in recent years. The support of the indirect or overhead costs of this research through operating grants had not kept pace. This had a particularly negative impact on the research infrastructure and other areas of university operations at institutions heavily involved in resource-intensive research.[11]

In 1986-87, under the auspices of the University Excellence Fund program, a total of $15 million was allocated to enhance the research resources of the universities. This money was targeted to assisting with the acquisition of research equipment, specialized experimental facilities and highly skilled technical and professional support staff.

The research overheads/infrastructure envelope provides continuing assistance in the funding of research overheads. The bulk of funding for research infrastructure and overheads continues to be provided through the basic grants envelope. The additional envelope must be considered a marginal funding source for research activity. As such, it should be responsive to changes in the level of sponsored research activity at each university and should reflect the relative levels of costs incurred at each institution.

For 1987-88, the research overheads/infrastructure grants were allocated on the basis of each institution's proportion of peer-adjudicated sponsored research funding awarded to Ontario universities by the federal government's three granting agencies (the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council and the Medical Research Council) for the years 1983-84, 1984-85 and 1985-86.

A review of the appropriate long-term mechanism for supporting overhead and infrastructure costs of sponsored research was undertaken by the Ontario Council on University Affairs in 1988[12]. The council recommended [13] that the allocation be made in future years on a similar basis to that made in 1987-88. Therefore, the distribution is made on the basis of a three-year moving average, and the total available grants is adjusted annually by the same percentage change as the basic operating grants.

To ensure that possible delays in obtaining data from the granting councils do not postpone the allocative advice, council recommended in Advisory Memorandum 91-XII that the allocative formula for distributing these funds be modified so that the years included in the three-year moving average are slipped two years instead of one.

---

[11] The Ontario Council on University Affairs, in Advisory Memorandum 86-VII, "Modification of the Operating Grants Formula".

[12] The Ontario Council on University Affairs, in Advisory Memorandum 87-I, "The Allocation of the Government's Operating Support for the University System in 1987-88".

[13] The Ontario Council on University Affairs, in Advisory Memorandum 87-XV, "Research Overheads/Infrastructure Funding Envelope Allocative Mechanism".

The Minister agreed, and the revision became effective commencing the 1992-93 funding year. Research overhead/infrastructure funding provided since 1986-87 is shown in Appendix 1.3.5.

1.3.6. Special Purpose Grants

A number of operating grant payments are made to Ontario universities and related institutions which are targeted to system needs and ministry priorities. Examples of programs for which special purpose grants are provided include:

(a) Aboriginal Education and Training Strategy (which supports programs and services for Aboriginal people);

(b) Francophone Programs (which assist, for example, with the start-up costs of the French as a Minority Language program and Ontario-Quebec faculty and student exchanges); and

(c) Ontario/Four Motor Initiatives (which provide for student exchanges and a multi-region International Business Program, as well as other programs partnered by Ontario and the "Four Motors" of Europe -- located in Germany, Spain, Italy, and France).

1.3.7. Institution-Specific Envelopes

A number of operating grant payments are made to specific Ontario universities or related institutions which are intended to fund a specific purpose or need.

1.3.8. Pay Equity Assistance

Pay Equity Assistance has been provided by the Ministry of Training, Colleges and Universities to postsecondary institutions since 1991/92 (see Appendix 1.3.8), to support the implementation of the Pay Equity Act of January 1, 1988. The Pay Equity Act aims to eliminate wage gaps created by the undervaluing of women's jobs compared to men's jobs. Institutions were required to post their pay equity plans and begin making salary adjustments commencing January, 1990.

The targeted funding in the postsecondary sector applies to job to job and/or proportional value pay equity plans.

Pay equity costs that have been eligible for funding:

- represent the total actual compensation adjustments for female-dominant job classes which were determined through pay equity plans;
- must have been paid out in a given calender year;
- include salaries, wages and benefits;
- exclude other compensation adjustments (i.e. those not covered by an established pay equity plan, such as annual merit increases);
- exclude one time retroactive awards (effective 1995/96); and
- must be over one percent of an agency's 1989 payroll (salary and wages only) in recognition of the base operating funding provided in 1990/91.

In the past, the Ministry has surveyed universities to determine their actual pay equity costs for the previous calender year. Pay equity allocations have been paid to institutions at government support rates. However, there was no pay equity survey for the 1997 calender year. The 1998/99 pay equity allocation was based on survey costs for the1996 calender year, and institutions received exactly the same allocations in 1998/99 as they did in 1997/98. See Appendix 1.3.8. for historical Pay Equity funding amounts.

1.3.9. Learning Opportunities Task Force

In the 1997 Budget, the Minister of Finance announced that the government would provide $30 million over five years to the Learning Opportunities Task Force and would implement the recommendations of the task force. The task force was established to develop pilot projects that would assist students with learning disabilities to make the transition to college or university.

Eight pilot projects were selected by the task force involving nine colleges and four universities. They were selected based on the recommendations of the Committee of Reference established by the chair of the task force. Evaluation criteria were established by the committee to facilitate the selection of the projects. The pilot projects began in September 1998. In 1998-99, $5.2 million was allocated in support of the pilot projects of which $1.3 million was allocated to universities.

1.3.10. Partnership Grants

1.3.10.1. Access to Opportunities Program

In the 1998 Budget, the Minister of Finance announced the establishment of a fund for increasing enrolment in computer science and high-demand engineering programs at universities and colleges. On May 29, 1998, the Ministry of Training, Colleges and Universities announced the initial design of the program. Detailed guidelines were released in October, 1998, and universities submitted applications under the program on November 16, 1998.

In March, 1999, universities and colleges were advised of the first stage of multi-year approvals which provided $34.3 million to universities for 1998-99. For universities, at the undergraduate level, the initial approvals will support a doubling of 1995-96 total enrolment in core ATOP disciplines at program maturity, with growth over 1997-98 at least 50% of the 1995-96 enrolment. At the graduate level, the approvals will support an increase of up to 50% of 1997-98 total enrolment in core ATOP disciplines. By 2000-01, entry-level enrolment must reach the level required to achieve the growth target by 2004-05. Growth may be achieved in existing core disciplines and in approved new core and non-core programs as outlined in the institution's multi-year plans.

The province will provide colleges and universities with one-time start-up funds of up to $120 million, along with $30 million in on-going operating grants over the first three years of the program, and up to $57M annually in ongoing operating grants to support these increased places in the future.

For the one-time start-up funding, institutions must raise 50% of their start-up costs from the private sector. The province will provide one-time funding to match dollar-for-dollar private sector in-kind and/or cash contributions towards eligible one-time start-up costs. The maximum provincial start-up funding per incremental FFTE will be:

- $9,800 for high-demand undergraduate engineering,
- $6,800 for undergraduate computer science,
- $9,800 annually, or $3,267 per term, for graduate students;
- $5,000 for related college programs.

Universities have until November 30, 1999 to secure private sector donations and/or pledges. All donations must be received by the end of the institution's fiscal year 2000-01. Each university must submit an annual report outlining the revenues and expenditures related to the one-time start-up funding, as part of its annual audited financial statement.

Ongoing operating funds will be provided for actual enrolment growth over the average of total undergraduate enrolments in 1995-96, 1996-97 and 1997-98, flowed on a slip-year basis. Universities disadvantaged by the use of the three-year average and/or slip year funding can choose to be funded on total undergraduate growth over 1997-98 levels and receive in-year funding. For graduate programs, ongoing operating funds will be provided for incremental growth over 1997-98 levels, flowed on a slip-year basis.

The rates for ongoing operating funding per incremental FTE are:

- $5,000 for high-demand engineering,
- $3,500 for computer science
- $10,000 annually or $3,333 per term for Masters students
- $15,000 annually or $5,000 per term for Doctoral students
- $2,000 for related college programs.

Participating institutions will be allowed to set their own tuition fees in computer science and engineering programs.

1.3.10.2. Graduate Scholarships in Science and Technology

As announced in the 1998 Ontario Budget, the Government, in partnership with the private sector, will reward excellence in graduate studies in science and technology through new graduate scholarships. Seventy-five million dollars will be awarded to students over ten years through this initiative. The government has committed $5 million annually over ten years to this program, starting in 1998-99. Universities are expected to raise from the private sector the remaining $2.5 million annually toward the cost of scholarships provided to graduate students.

The scholarship value will be to a maximum of $15,000 annually, or $5,000 per term. Consistent with the 2:1 ratio of government funding to institutional funding for this program, the Ontario government portion of the award to an individual student will be to a maximum of $10,000 annually, or $3,333 per term. The remaining funds are to be provided by the institution, through fund-raising from the private sector. Individual universities can determine the actual value of the scholarships awarded, up to the maximum per term, based on the number of students they wish to support.

The program is administered by the universities, with each university selecting its top students for the award. Detailed programs guidelines have been distributed to the universities, outlining eligibility criteria, selection criteria, eligible disciplines, and accountability and reporting requirements.

Allocation of Funds

The requirement for the universities to raise one-third of the scholarship funds necessitates that the provincial funds be allocated to the universities on a formulaic basis so that they can undertake to raise the matching funds for the number of scholarships they can award.

The allocation mechanism relates directly to the purpose of the program, which is to reward excellence in graduate studies in science and technology. The provincial funds will be distributed according to each university's share of eligible[14] full-time domestic graduate enrolments in applied sciences, biological sciences, and physical sciences, using a three-year rolling average of enrolments. To account for changes in enrolment levels among institutions and for the introduction of new graduate programs over the ten year period, the allocation will be re-calculated each year, based on the moving average of enrolment for the previous three years.

The average of 1995-96,1996-97 and 1997-98 graduate enrolments (full-time, eligible, domestic students in applied, biological, and physical sciences) was used as the basis for allocating $5,000,000 for 1998-99. The distribution of shares was rounded to the nearest $10,000.

However, universities were asked to indicate the amount of their notional allocation they could spend on scholarships for 1998-99, and that amount was transferred to each university. The remainder will be added to each institution's allocation in subsequent years.

Envelopes that have been rolled into the basic grants envelope.

1.3.11. Enrolment Adjustment/Accessibility Envelope

In 1987-88, this envelope operated as an adjustment for funding anomalies which developed over the latter years of operation of the previous formula as a result of differences in the patterns of enrolment growth among Ontario universities. In 1988-89, this envelope was designated for the recognition of enrolment growth in 1987-88 beyond 1986-87 levels. In 1988-89, this envelope funded additional enrolment growth in 1988-89 over 1987-88 levels, as well as the flow-through of the 1987-88 over 1986-87 growth, and also provided special funding to encourage participation by currently under-represented groups. See Appendix 1.3.2. for the dollar amounts allocated.

1.3.11.1. Enrolment Adjustment: 1987-88 Grants

In 1987-88, a total of $25 million in enrolment adjustment grants was allocated in the following manner:

---

[14] Enrolments eligible for provincial funding ("BIU eligible").

(1) $12.5 million was allocated according to each institution's proportion of weighted growth BIUs. Growth BIUs were defined as the gap between an institutions' undiscounted and discounted BIUs and were calculated by subtracting each institution's 1986-87 funding BIUs (i.e., discounted BIUs) from the average of its 1983-84, 1984-85, and 1985-86 BIUs (i.e., undiscounted BIUs). Each institution's growth BIUs were weighted according to the proportion of its growth BIUs to its undiscounted BIUs (the three-year average indicated above).

(2) $12.5 million was allocated according to each institution's proportion of the university system's unweighted growth BIUs.

For 1988-89, the grant amounts so generated were included in each institution's base grants and base BOI, for the purposes of calculating subsequent base grant entitlements.

1.3.11.2. Accessibility Envelope: 1988-89 Grants

The accessibility envelope recognized incremental enrolment growth in 1987-88 by funding, in 1988-89, the positive difference between each institution's 1987-88 and 1986-87 BIUs (at a rate equal to the 1988-89 base BOI per base BIU), less the positive difference in formula fees between the same two years.

1.3.11.3. Accessibility Envelope: 1989-90 Grants

To address the government's commitment to fully fund the incremental growth identified in 1987-88 in future years, in 1989-90 the positive difference between each institution's 1987-88 BIUs and its 1986-87 BIUs was funded at a rate equal to the 1989-90 base BOI per base BIU, less the associated incremental formula fees.

The government agreed to fund the positive difference between an institution's 1988-89 BIUs and its 1987-88 BIUs, at a rate determined by the total of the positive increases in BIUs between 1987-88 and 1988-89, to a maximum rate not more than the 1989-90 base BOI per base BIU less the associated incremental formula fees.

Total funding under the accessibility envelope in 1989-90 amounted to $88 million. Approximately $37.4 million was allocated to fund the flow-through of 1987-88 growth. A further $4 million was reserved to promote access for disabled persons and the remaining balance of approximately $46.6 million was allocated to fund the enrolment growth between 1987-88 and 1988-89.

1.3.11.4. Accessibility Envelope: 1990-91 Grants

In 1990-91, phasing down of the funding provided within the accessibility envelope commenced, with accessibility funds being transferred via the temporary "transition grants envelope" to the basic grants envelope (see Appendix 1.3.2). In 1990-91, universities received 70% of the funding related to enrolment growth in 1987 over 1986 levels, and 85% of the funding related to enrolment growth in 1988 over 1987 levels. The funds thus freed up were used to fund recent enrolment growth within the transition grants envelope.

1.3.11.5. Accessibility Envelope: 1991-92 Grants

In 1991-92, universities received 40% of the funding related to enrolment growth in 1987 over 1986 levels, and 70% of the funding related to enrolment growth in 1988 over 1987 levels. The funds thus freed up were incorporated into the transition grants envelope to fund recent enrolment growth up to the new corridor mid-points.

1.3.11.6. Accessibility Envelope: 1992-93 Grants

In 1992-93, universities received 40% of the funding related to enrolment growth in 1988 over 1987 levels. The balance of the funding originally associated with this envelope was transferred to the transition grants envelope to fund the planned enrolment growth up to the new corridor midpoints.

1.3.12.Transition Grants Envelope

This envelope funded the movement to new, higher enrolment levels negotiated by the universities with the Ontario Council on University Affairs in 1989. Funds allocated to the envelope were, in part, those freed up from the accessibility envelope as that envelope was phased out, as well as other funds allocated to enrolment growth (see Appendix 1.3.2.). Government undertook to add $91.1 million to the university operating allocation over the years 1990-91 through to 1994-95 in order to accommodate new, planned enrolment levels.

Distribution of the funds within this envelope was based on the difference between the current moving-average of weighted enrolment (moving-average BIU counts) which was implemented in 1990-91 and base BIU counts. The moving-average was a five-year average, slipped one year.

BIUs funded under this envelope were capped at the level of the new, negotiated, corridor mid-points, and were net of any BIUs funded under the accessibility envelope. Associated standard fees were taken into account in the grant calculations.

In 1996-97, funding allocated under the transition envelope was integrated with the basic grant envelope allocation.

1.3.13. Program Adjustment Envelope

The government's allocation for university operating support announced in November 1986[15] included provision for funds to assist in meeting the costs associated with program closure, program start-up in areas of critical need, moving capacity from one institution to another or initiating co-operative efforts or joint programs in order to facilitate desired program adjustments--the overall objective being to enhance quality and to encourage rationalization and differentiation.

The program adjustment envelope began in 1987-88, as a pro-rata distribution of $7 million. From 1988-89 onwards, the program operated on a quasi-competitive basis, with institutions submitting project proposals to OCUA for assessment and recommendation to the Minister.

---

[15] Letter from the Honourable Gregory Sorbara, Minister of Colleges and Universities to Mrs. Mamie Paikin, Chairman, Ontario Council on University Affairs, November 3, 1986, announcing operating support for 1987-88.

Two competitions were held. The first resulted in the allocation of funds in 1988-89 and in 1989-90, the second in the allocation of funds in 1990-91 and 1991-92.

When the results of the second competition were assessed, concern was expressed[16] that the projects submitted, while meeting the minimum criteria for the envelope, did not accomplish the true objectives of the program, principal among them the initiation of significant change. A $2.3 million constraint was imposed on the program adjustment envelope for 1991-92. This, coupled with the concerns expressed about the significance of the proposed projects, resulted in a reduced number of projects being funded. Complete funding for the approved projects was flowed to the institutions in 1990-91 and 1991-92, leaving no carry-over commitments for subsequent years.

On October 11, 1991 the minister announced [17] that the program adjustment envelope would wind down at the end of the 1991-92 fiscal year, and the funds freed up from the termination of the program would be added to the basic grants envelope.

1.3.14. Library Enhancement and Student Equipment Fund

Funds originally allocated in 1986-87, and an additional amount allocated in 1990-91, specifically targeted towards the purchase of modern equipment and enhancement of library materials, have been rolled into the basic grants envelope.

---

[16] Letters of March 25 and April 30, 1991 from the Honourable Richard Allen, Minister of Colleges and Universities to Dr. H. V. Nelles, Chair, Ontario Council on University Affairs.

[17] Letter from the Honourable Richard Allen, Minister of Colleges and Universities to Dr. H. V. Nelles, Chair, Ontario Council on University Affairs.

2. ELIGIBLE INSTITUTIONS

2.1. Provincially Assisted Institutions

The following institutions are eligible to claim support as outlined in this document, subject to any limitations that may be imposed by the Minister. Eligible enrolment in the federated or affiliated colleges as set out in Section 2.2 may be claimed by the institution below:

Brock University
Carleton University
College of the Dominican or Friar Preachers of Ottawa
University of Guelph
Lakehead University
Laurentian University
Algoma College
Le Collège de Hearst
McMaster University
Nipissing University
Ontario College of Art and Design
University of Ottawa
Queen's University
Ryerson Polytechnic University
University of Toronto
Trent University
University of Waterloo
The University of Western Ontario
Wilfrid Laurier University
University of Windsor
York University

2.2.1. College of the Dominican or Friar Preachers of Ottawa

Dominican College became eligible for 50% provincial support commencing in September, 1973. Any program introduced after September 1, 1967 must have met, or must meet, the same requirements for program approval as they apply to the provincially assisted institutions as set out in Section 3.1.

2.2. Church-Related and Federated or Affiliated Institutions

Institutions named in Section 2.1 may claim full operating support for eligible enrolment in eligible programs in the following church-related institutions [18] which are federated or affiliated with them, subject to the criteria detailed in Sections 2.2.1 to 2.2.3.

Brescia College	(The University of Western Ontario)
Concordia Lutheran Seminary	(Brock University)
Conrad Grebel College	(University of Waterloo)
Huntington University	(Laurentian University)
Huron College	(The University of Western Ontario)
King's College	(The University of Western Ontario)
Knox College	(University of Toronto)
McMaster Divinity College	(McMaster University)
Queen's Theological College	(Queen's University)
Regis College	(University of Toronto)
Renison College	(University of Waterloo)
St. Augustine's Seminary [19]	(University of Toronto)
St. Jerome's College	(University of Waterloo)
St. Michael's College	(University of Toronto)
St. Paul University	(University of Ottawa)
St. Paul's United College	(University of Waterloo)
St. Peter's Seminary	(The University of Western Ontario)
University of Sudbury	(Laurentian University)
Thorneloe University	(Laurentian University)
Trinity College	(University of Toronto)
Victoria University	(University of Toronto)
Waterloo Lutheran Seminary	(Wilfrid Laurier University)
Wycliffe College	(University of Toronto)

2.2.1. Conditions for Funding Eligibility: Students

The conditions for eligibility for full support for enrolment in institutions named in Section 2.2 are:

a) that any student for whom operating eligibility is claimed be registered at one of the provincially assisted universities named in Section 2.1 and the degree awarded be that of the provincially assisted university; and

---

[18] Federated/affiliated institutions are shown with corresponding provincially assisted universities in brackets.

[19] St. Augustine Seminary terminated its initial affiliation agreement with the University of Toronto on July 1, 1988. Thus the University of Toronto did not include enrolment associated with the seminary in its 1988-89 eligible enrolment reports. All enrolment associated with the seminary was removed from the University of Toronto totals, effective for funding in 1989-90. (Enrolment based portions of 1989-90 funding are based on enrolment in the years up to and including 1988-89.) A new affiliation agreement was signed in July 1989 and funding was re-instated for 1990-91, at which time eligible enrolment was re-introduced to the University of Toronto totals.

b) that the standards of admission, curriculum, graduation, etc. be established and regulated by the appropriate academic bodies of the provincially assisted university.

2.2.2. Conditions for Funding Eligibility: Non-Theological Programs

Only those non-theological programs in existence at the federated and affiliated colleges when the 100% support policy was introduced on September 1, 1974 become automatically eligible. All other non-theological programs must have met, or must meet, the same requirements for program approval as those which apply to the provincially assisted institutions as set out in Section 3.1.

2.2.3. Conditions for Funding Eligibility: Theological Programs

Only those theological programs in existence on September 1, 1967 became automatically eligible for 100% support on April 1, 1976. Any program introduced after September 1, 1967 must have met, or must meet, the same requirements for program approval as those which apply to the provincially assisted institutions as set out in Section 3.1.

3. ELIGIBLE PROGRAMS

3.1. Program Approval Policy

3.1.1. Historical Record

3.1.1.1. Undergraduate Programs: 1974 to November 1, 1981

With the approval of their senates, institutions were free to establish new undergraduate programs and have them funded automatically. Only undergraduate programs of the following types required Ministry approval:

(1) new professional programs,
(2) new health sciences programs,
(3) new Ryerson and Ontario College of Art programs,
(4) new programs requiring extra formula support,
(5) new programs not included in existing weight categories for which a formula weight above 1.0 was required.

3.1.1.2. Undergraduate Programs: November 2, 1981 to December 15, 1982

On November 2, 1981, the Minister announced a freeze on all new undergraduate programs under which:

(1) universities were asked to introduce no new undergraduate programs without prior consultation with the Ontario Council on University Affairs (OCUA);

(2) universities could report enrolment in a new program for formula grant purposes only if the new program had received:

   (a) OCUA's recommendation to the Minister for funding, and

   (b) the Minister's funding approval.

The freeze applied to any undergraduate program offered by a university after November 1, 1981, which in content, format, or mode of presentation differed significantly from any of the programs previously offered by that university in which students were enrolled. Wherever clarification was required on the application of this general definition to particular cases, it was the university's responsibility to obtain it from OCUA.

Enrolment in new programs not approved for funding was to be reported as ineligible for formula grants. These freeze requirements terminated in December, 1982.

3.1.1.3. Undergraduate Programs: December 16, 1982 to November 7, 1996

In 1982, a new process was created for the review of new undergraduate programs. New programs in basic and "core" Arts and Science disciplines could be reported as eligible for grant purposes without having to obtain specific ministerial approval, while new "professional", "quasi-professional" and "special" undergraduate programs were required to undergo review by OCUA and receive minister's approval in order to be counted as eligible for funding purposes.

On May 29, 1996, in response to the *Woods Task Force Recommendations on Agencies, Boards and Commissions*, the Minister announced OCUA and the Academic Advisory Committee (AAC) would be disbanded as of August 31, 1996. OCUA's and AAC's responsibilities with regard to academic program approvals were to be assumed by the Ministry.

3.1.2. Current Policy: Undergraduate Programs

On November 8, 1996 the Ministry announced an interim policy of "self-administered regulation" for 1996-97 to apply to both undergraduate and graduate programs (see Appendix 3.1).

3.1.2.1. Basic "Core" Arts and Science Programs

New programs in basic "core" Arts and Science disciplines may be reported as eligible for grant purposes without having to obtain specific ministerial approval, except where such a new program:

(i) does not have a formula weight already assigned and a weight greater than 1.0 is sought; or

(ii) will require extra operating support; or

(iii) cannot be accommodated within existing available university facilities.

Programs in basic "core" Arts and Sciences disciplines are:

Biological Sciences (including Biotechnology)
English Language and Literature
French Language and Literature
General Arts and Science
Humanities (including ancient and classical languages)
Mathematical Sciences and Computer Studies
Physical Sciences
Social Sciences (including Women's Studies)
Theology.

New "core" Arts and Science programs should be reported to the Ministry of Training, Colleges and Universities in the Program Developments Report (see Appendix 3.1) requested each spring.

3.1.2.2. All Other New Undergraduate Programs

All other new university programs at the undergraduate level (i.e., all programs outside the category defined as basic "core" Arts and Science) may be reported as eligible for operating grants only after review and approval by the Minister.

Further guidance regarding the Ministry's program approval procedures and review criteria can be found in Appendix 3.1.

3.1.2.3. Graduate Programs: To 1978

Concern with the proliferation of new graduate programs led the government to impose an embargo on new graduate program developments in 1970, followed by a suspension of the formula for graduate program funding in 1976.

3.1.2.4. Graduate Programs: 1978 to November 7, 1997

In 1978, a program approvals process administered by the Ontario Council on University Affairs, including evaluative criteria, was established to advise the Ministry on the funding of new graduate programs. The Academic Advisory Committee (AAC) was later established in 1981 to apply the criteria and provide independent academic advice to OCUA regarding program submissions. New graduate programs could be reported as eligible for operating grant funding only after successful quality appraisal by the Ontario Council on Graduate Studies; review and recommendation by the OCUA; and approval for funding eligibility by the Minister.

On May 29, 1996, in response to the *Woods Task Force Recommendations on Agencies, Boards and Commissions*, the Minister announced OCUA and AAC would be disbanded as of August 31, 1996. OCUA's and AAC's responsibilities with regard to academic program approvals were to be assumed by the Ministry.

3.1.3. Current Policy: Graduate Programs

On November 8, 1996 the Ministry announced an interim policy of "self-administered regulation" for 1996-97 to apply to both undergraduate and graduate programs (see Appendix 3.1).

3.1.3.1. New Graduate Programs

New graduate programs may be reported as eligible for operating grants only after (a) successful quality appraisal by the Ontario Council on Graduate Studies (OCGS) and (b) review and approval for funding eligibility by the Minister.

3.1.3.2. Existing Graduate Programs

Existing graduate programs (i.e., those which already have been approved by the Minister for funding eligibility) must maintain an acceptable level of quality, as defined and appraised by the Ontario Council on Graduate Studies (OCGS), in order to continue to be eligible for operating grants. Graduate programs are currently subject to periodic appraisal on a seven-year cycle. Any program that is considered by OCGS to have fallen below an acceptable level of quality, or that has been withdrawn from appraisal, must be reported by OCGS to the Ministry of Training, Colleges and Universities which must, in turn, consider whether the program be withdrawn from funding eligibility.

Further guidance regarding the Ministry's program approval procedures and review criteria can be found in Appendix 3.1.

3.1.4. Closed, Merged, Rationalized/Restructured Programs

All closed, merged, and rationalized/restructured programs in the upcoming academic year are to be reported to the Ministry of Training, Colleges and Universities in the Program Developments Report (see Appendix 3.1) requested each spring.

3.1.5. Full-Cost Recovery Programs

Completely new programs[20] that are to be operated solely on a full-cost recovery basis are not subject to Ministry program approval procedures. However, the Ministry does wish to be kept informed of these program developments and the enrolments associated with them. Students in full-cost recovery programs should be reported to the Ministry as "ineligible" for funding on the required enrolment reports. The programs should be reported in the institution's annual Program Developments Report (see Appendix 3.1) each Spring.

Any new initiatives whereby students are enrolled on a full-cost recovery basis **within** regular, publicly-supported programs must be approved by the Ministry in advance of start up. Also, any initiative to convert an existing publicly supported program to full-cost recovery must be approved by the Ministry in advance. No university may simply declare a student who is enrolled in a regular, publicly-supported program ineligible to generate operating formula support. [21]

Normally, full-cost recovery sections within a publicly-supported program will not be considered for approval unless they are similar to existing programs such as the one provided to supernumerary post-graduate medical trainees who are sponsored by foreign governments.

3.1.6. Additional Cost Recovery Programs

As announced on May 6, 1998[22], for 1998-99 and 1999-2000, universities may introduce additional cost recovery for :

(i) graduate programs;
(ii) undergraduate programs in Business/Commerce (second-entry programs only), Dentistry, Law, Medicine, Optometry, Pharmacy, and Veterinary Medicine; and,
(iii) undergraduate engineering and/or computer science, following the approval by the Minister of Training, Colleges and Universities of a plan from the university to double the number of entry-level spaces in computer science and/or high-demand fields of engineering by September 2000, with the expectation of doubling total enrolment in these programs by 2003-04.

---

[20] Simply mounting a version of a program "off site" does not in itself constitute a new program for cost-recovery purposes.

[21] International students enrolled in regular, publicly-supported programs may be declared ineligible under the international student tuition fee deregulation policy (see Section 5.1.3).

[22] Letter dated May 6, 1998 from David Trick, Assistant Deputy Minister Postsecondary Division, University Tuition Fee Guidelines, Effective 1998-99.

Additional cost recovery programs are subject to the same program approval requirement as regular programs (both at the undergraduate and graduate levels).

3.2. Categorization and Weighting

3.2.1. General

One full-time undergraduate student enrolled for two terms of general degree work offered in a liberal arts program generates one basic income unit. Work in honours, professional and graduate programs is related on a rough cost basis to this basic core.

The categorization scheme does not pretend to reflect precisely the relative costs or the relative importance of each program at each university. There is no intention that the relationship in the categorization table should be reflected in detail in the spending of any university. The formula weights do not necessarily reflect differences in costs among various subjects within a given program or among program years. The formula for which the weights were initially devised was designed merely to produce a reasonably equitable overall distribution of basic government grants. Use of weighted enrolment, or basic income units, generated by this categorization scheme in various envelopes of the current distribution mechanism reflects the general belief that relative overall program costs continue to be reasonably well defined by the existing categorization scheme.

The calculation of basic income units (BIUs) from full-time equivalents (FTEs) and formula program of study (FORPOS) weights differs slightly at the undergraduate and graduate levels. A full description of the calculation of FTEs is contained in the annual "Essential Notes and Reporting Instructions". The procedure at the undergraduate level involves multiplying a term FTE count (otherwise known as an FFTE or fiscal full-time equivalent) by an annual weight for the undergraduate FORPOS to come up with the BIU count generated by the student for the term in question. At the graduate level, for fall, winter and spring terms, an annual FTE (1.0 for a full-time student, 0.3 for a part-time student) is multiplied by a term weight for the graduate FORPOS to produce the BIU count generated by the student for the particular term. For the summer session, graduate students are considered to be full-time for one half a semester, and therefore count for 0.5 FTE each. At both levels the BIUs for each term in which the student is present are then summed over the fiscal year to produce the BIU count generated for that fiscal year.

3.2.2. Undergraduate: Diploma and First Degree

Category 1 **Annual Weight 1.0**

Arts, First Year Honours
Arts, General
Environmental Studies/Science, First Year Honours
Environmental Studies/Science, General
Pre-Commerce and Business Administration
Pre-Medicine
Science, First Year Honours
Science, General
Secretarial Science
Social Work, First Year

Theology, both degree and diploma
Undergraduate diploma programs (other than those specifically listed in other categories or otherwise provided for in the annual "Essential Notes and Reporting Instructions")

Category 2	**Annual Weight 1.5**

Art-As-Applied-To-Medicine (University of Toronto)
Arts, Upper Years Honours (including Master's level "make-up" year)
Commerce and Business Administration
Fine and Applied Arts
Health Administration (University of Toronto)
Law
Library Science
Physical Education
Physical and Occupational Therapy
Social Work, Upper Years only

Category 3	**Annual Weight 2.0**

Agriculture
Architecture
Education, Elementary and Secondary
Engineering
Environmental Studies/Science, Upper Years Honours
Food and Household Sciences
Forestry
Hygiene and Public Health
Industrial Design (Carleton)
Music, both degree and diploma
Nursing
Pharmacy
Public Health Nursing, diploma
Science, Upper Years Honours (including Master's level "make-up" year)
(See also Section 3.2.5, Note 1.)

Category 4	**Annual Weight 5.0**

Dentistry
Medicine (except years 2 and 3 of McMaster's 3-year program;
    see Section 3.2.3 below)
Medicine (except years 1 and 2 of McMaster's 3-year program;
    see Section 3.2.3 below) - **Beginning 1998-99**
Veterinary Medicine

3.2.3. Undergraduate: Miscellaneous

Undergraduate programs which do not fall into the categories defined in Section 3.2.2 are shown in the following list. For a more complete list of institution-specific programs and the weights assigned to them, refer to the annual "Essential Notes and Reporting Instructions".

	Annual Weight
Dentistry Residents	2.5
Engineering and Forestry Technology (Lakehead)	1.2
Engineering and Management (McMaster)	
Years 2 and 4	1.5
Years 1, 3 and 5	2.0
Journalism (Carleton)	
Honours, Years 2 to 4 and the one-year post-baccalaureate degree	1.5
(All Year 1 are Category 1, Weight 1)	
Medical Interns and Residents (3 terms)	2.5
Medicine, three years (McMaster)	
Years 2 and 3 only	7.5
(Year 1 is Category 4, Weight 5.0)	
Beginning 1998-99:	
Medicine, three years (McMaster)	
Years 1 and 2 only	7.5
(Year 3 is Category 4, Weight 5.0)	
	Annual Weight
OISE/UT Programs	
Certificate in Adult Education (qualifying or make-up year)	1.0
Master of Arts	1.5
Master of Education (10 units, without honours)	2.0
Ontario College of Art and Design -- All Programs	
1976-77 to 1986-87	1.3
1987-88 to present	1.35
Optometry (3 years, i.e., excluding pre-optometry)	3.0
Ryerson - All Programs	
1974-75 to 1976-77	1.34
1977-78 to 1979-80	1.38
1980-81 to 1986-87	1.36
1987-88 to 1993-94	1.42
(Regular weighting applied commencing 1994-95)	
Teacher Education Program (4-year concurrent)	1.25
Undergraduate programs, excluding Law (York)	
1976-77 to 1978-79 only	1.284
(Regular weighting applied before 1976-77 and after 1978-79.)	

Undifferentiated undergraduate programs in the Faculty of Arts and Science (University of Toronto, Scarborough College and Erindale College):

1972-73 to 1975-76	1.24
1976-77 to 1977-78	1.279
1978-79 to 1980-81	1.326
1981-82 to 1982-83	1.334
1983-84 to 1985-86	1.37
1986-87 to 1987-88	1.391
1988-89 to 1995-96	1.419

(Fully differentiated reporting commenced 1996-97.)

3.2.4. Graduate Programs

Note: All graduate theology programs carry a weight of 0.5 per term, except for those that have undergone Ministry review and received approval for counting under category 6 or 8.

Category 5 **Annual Weight 2, Term Weight 1**

Master's level and First Year Ph.D direct from a baccalaureate.

Commerce and Business Administration
Health Administration
Journalism
Public Administration

Category 6 **Annual Weight 3, Term Weight 1**

Master's level and First Year Ph.D direct from baccalaureate.

Criminology
Education
Fine and Applied Arts
Humanities
Library Science (other than "make-up" year)
Law
Mathematics
Master of Philosophy (M.Phil.)
Physical and Health Education
Social Sciences
All specialist Graduate Diploma Courses
Graduate programs not elsewhere specified (See Section 3.2.5, Note 2)

Category 7 — Annual Weight 4, Term Weight 1.333

Master's level and First Year Ph.D direct from a baccalaureate.

- Agriculture
- Architecture
- Art Conservation
- Child Study
- Dentistry
- Engineering
- Environmental Studies
- Food and Household Science
- Forestry
- Geography
- Hygiene and Public Health
- Medicine
- Music
- Nursing
- Pharmacy
- Physical Therapy
- Physiological Optics
- Psychology
- Science (Physical and Biological)
- Social Work
- Urban and Regional Planning
- Veterinary Medicine

Category 8 — Annual Weight 6, Term Weight 2

All Ph.D (except First Year Ph.D. direct from a baccalaureate).

3.2.5. Special Notes

1. Students in the upper years of honours undergraduate work in psychology, geography and mathematics shall be included in Category 3 (annual weight 2.0) because costs of undergraduate work in these subjects appear to be, on the average, similar to costs in honours science. At the master's level, however, mathematics would seem to be more appropriately grouped with the humanities and social sciences, and is therefore included in Category 6 (annual weight 3.0), while psychology and geography, because of laboratory and field work requirements, are again classed with science and engineering in Category 7 (annual weight 4.0).

2. Graduate programs "not elsewhere specified", as shown in Section 3.2.4 (Category 6), include all graduate degree and diploma programs not specifically covered in other categories mentioned in the above categories, or in the annual "Essential Notes and Reporting Instructions".

4. ENROLMENT REPORTING REQUIREMENTS

Ontario universities are required to submit a series of enrolment reports to the Ministry of Training, Colleges and Universities annually. Each university must report all students who are registered in courses or programs normally credited to a degree, diploma, or certificate of the university, whether or not those students are eligible to be considered in the determination of the Ontario government's operating support. The Ministry requires an audit of the enrolment data of institutions that are eligible to receive Ontario operating grants. The objective of the audit is to render an audit report in the form prescribed in Appendix 4.0.

A university must bear the adverse consequences of its own errors in enrolment reporting, but will suffer no grant loss in respect of eligible enrolment under-reported if the situation arose because of an oversight on the part of the Ministry. It is the responsibility of the universities to see that no eligible students are unclaimed. Ministry policy with regard to adjustments is contained in the annual "Essential Notes and Reporting Instructions".

4.1. Eligible Students

Eligible students may be counted in determining an institution's continuing eligibility for grant shares under the basic grants envelope, described in Section 1, and in determining other such grants as may from time to time be based on student enrolment. Fee regulations, as described in Section 5, apply to all eligible students.

Determination of eligibility for funding purposes involves several criteria: the eligibility of the institution at which the student is registered, the program in which the student is registered, and the eligibility of the student him/herself in respect of funding. Eligible institutions are listed in Section 2. Program eligibility for public support is determined according to the procedures detailed in Section 3.

A student is eligible to be counted in the determination of operating grants if that student is enrolled in a publicly-supported program in an eligible institution and falls in any of the categories outlined below:

4.1.1. Citizens

A citizen of Canada within the meaning of the Citizenship Act, or a person registered as an Indian within the meaning of the Indian Act.

4.1.2. Permanent Residents

A permanent resident within the meaning of the Immigration Act, 1976:

(a) a person who has been granted "permanent resident" status; or

(b) a person who has met "all the preliminary requirements" for permanent residency status, and presents a letter from Citizenship and Immigration Canada confirming this. Such letters must be dated prior to the **enrolment count date**, and presented prior to the **enrolment report due date**. Letters from the Immigration Officers would normally confirm the receipt of student's request for visa exemption and indicate prima facie acceptance of the case subject to formalities such as medical examination and reference check.

4.1.3. Eligible International Students

An international student who falls within any of the following categories: [23]

4.1.3.1.

A person who is the dependent [24] of a Canadian citizen or permanent resident of Canada.

4.1.3.2.

A person, and his/her dependents, who:

i) has been admitted to, and remains in, Canada as an officially recognized Convention refugee [25] within the meaning of the Immigration Act, 1976;

ii) is a refugee claimant who applied to the federal government for Convention refugee status prior to January 1, 1989, and can provide documentation from Citizenship and Immigration Canada to that effect.

4.1.3.3.

A visitor, and his/her dependents, who is admitted to and remaining in Canada under clause 10(c) of the Immigration Act, 1976, for the purpose of employment. [26]

4.1.3.4..

A visitor who is admitted to and remaining in Canada under clause 10(c) of the Immigration Act, 1976, with official accreditation from the Canadian government, who has entered Canada, or is in Canada, to carry out her/his official duties as a diplomatic or consular officer; or as a Canadian government-accredited representative or official of a country other than Canada, of the United Nations or any of its agencies, of any intergovernmental organizations of which Canada is a member; or as a dependent or a member of the staff of any such diplomat, consular officer, representative or official accredited to Canada by the Canadian government; or a member of a foreign military force or of a civilian component thereof admitted to Canada under the Visiting Forces Act or any dependents of such personnel.

---

[23] Where the status of an eligible international student changes part way through his/her program of study due to circumstances beyond the student's control (e.g., the dependent of a diplomat whose parent is reassigned to another country), the student may be reported as eligible until completion of that program, at which time this grandparenting provision will end.

[24] The term "dependent", referred to here and elsewhere in Section 4.1, is defined in Section 1.1.7. For purposes of this manual, a dependent of a person includes his/her spouse, unmarried child, or spouse's unmarried child. Dependent status must be fully documented and must have been established for a minimum of three years for the student to be classified as eligible.

[25] The convention refugee determination process occurs in two stages: the first stage, which follows the Immigration Officer's report, results in a decision that the person "is eligible to make a refugee claim", and the second stage which is a hearing before the Immigration and Refugee Board results in a decision on whether the claimant "is a convention refugee". Only after the second stage can a person be considered as an officially recognized convention refugee.

[26] A visitor who is a graduate teaching or research assistant is excluded from this category.

4.1.3.5.

A person who is a participant in an Ontario government sponsored exchange agreement.[27]

4.1.3.6.

A person, admitted to and remaining in Canada under clause 10(a) or 10(b) of the Immigration Act, 1976, who is a holder of an Ontario Graduate Scholarship awarded in April, 1996.

4.1.4. Additional Cost Recovery Programs

A student's eligibility for funding is not affected whether a student is enrolled in a regular program or an additional cost recovery program. For example, if a student enrolled in a program was eligible for funding prior to that program becoming an additional cost recovery program, that student is still eligible for funding after the program becomes an additional cost recovery program. The opposite also holds true. If a student enrolled in a program was not eligible for funding prior to that program becoming an additional cost recovery program, that student is still not eligible for funding after the program becomes an additional cost recovery program.

4.2. Ineligible Students

Commencing with the reporting of 1994 winter term enrolment, no university may simply declare a student who is enrolled in a regular publicly-supported program, ineligible to be counted in determining institutional operating grant assessment.[28, 29]

Students who are properly determined to be ineligible for funding purposes are not subject to the fee regulations described in Section 5, with the exception of ineligible international students who are grandparented under the provisions of the international student fee deregulation which took place in 1996-97.

---

[27] An example would be participants in the Ontario-Jiangsu Academic Exchange Agreement between the Ontario Ministry of Training, Colleges and Universities and the Higher Education Bureau of Jiangsu Province, China.

Note that international students studying in Ontario under the Ontario/Four Motors for Europe student exchange programs and the Ontario/Four Motors for Europe Multiregional International Business Program (MIBP) are exceptions. These students may not be claimed as eligible in determining operating support. They are also exempt from the payment of tuition fees in Ontario.

[28] Memorandum of April 21, 1994 from the Honourable Dave Cooke, Minister of Education and Training, to the Executive Heads of the provincially assisted universities and related institutions.

[29] International students enrolled in regular, publicly-supported programs may be declared ineligible under the international student tuition fee deregulation policy (see Section 5.1.3).

A student is ineligible to be counted in the determination of operating grants if that student falls in any of the categories outlined below:

4.2.1. Auditors

A student who is "auditing" a university credit course (possibly registered in the course, but not taking the course for credit standing). To be claimed as eligible, a student must have taken a course for credit standing. Mere registration in a course does not mean eligibility for formula support.

4.2.2. Full-Cost Recovery Programs

A student who is enrolled on a full-cost recovery basis in a program for which government funding has not been requested and is not being provided. (See Section 3.1.5 for program approval procedures regarding full-cost recovery programs.)

4.2.2.1.

A student who is enrolled on a full-cost recovery basis in a regular, publicly-funded program under special agreement with a government or corporate sponsor, such as the supernumerary post-graduate medical trainee who is sponsored by a foreign government. (See Section 3.1.5 for program approval procedures regarding full-cost recovery programs.)

4.2.3. Ineligible Church-Related Institutions

4.2.3.1.

A student who is enrolled in a church-related institution which does not meet the criteria outlined by the Minister in his letter of June 26, 1975 concerning affiliation with a provincially assisted degree granting institution. [30] (See Section 2.2 for more details).

4.2.3.2.

A student who is enrolled in an affiliated church-related institution in a theological program of study introduced after September 1, 1967, which has not met the requirements for program approval as set out in Section 3.1, or in a theological program that was ineligible under the former federal scheme of grants for universities and colleges.

4.2.3.3.

A student who is in an affiliated church-related institution in a non-theological program introduced after September 1, 1974, which has not yet met the requirements for program approval set out in Section 3.1.

---

[30] Dominican College has special status in this regard. See Section 2.1.1.

4.2.4. Ineligible International Students

An international student who does not fall in any of the categories listed in Section 4.1.3.

4.2.5. Ineligible Students: Miscellaneous

4.2.5.1. Ineligible Undergraduate Students

An undergraduate level student who:

(a) is enrolled in an undergraduate program of study for which Ministry funding approval is required but has not been obtained;

(b) is registered in the first year of undergraduate degree program and, on the applicable count date, has not successfully completed the requirements for the Ontario Secondary School Honour Graduation Diploma (SSHGD) or the Ontario Secondary School Diploma with six Ontario Academic Credits (OSSD with 6 OACs) or the equivalent from other educational jurisdictions, with the exception of:

   (i) a mature student;

   (ii) a student registered in Music at the University of Toronto who has completed the requirements for the Ontario Secondary School Graduation Diploma (SSGD) or the Ontario Secondary School Diploma (OSSD) or the equivalent from other educational jurisdictions and has certain additional qualifications in music;

   (iii) a student who is registered in the transitional year program of the University of Toronto who lacks the ordinary entrance qualifications because of economic, social, cultural or ethnic factors; or

   (iv) a student who is registered in the first year of a trimester program in the Winter or Spring term at the University of Guelph who leaves Ontario Secondary School Year 5 studies before the end of the normal school year with the permission of the high school principal.

4.2.5.2. Ineligible Graduate Students

A graduate level student who:

(a) is enrolled in a graduate program introduced after Spring, 1971 which has not received approval in writing from the Ministry of Training, Colleges and Universities or for which funding approval has been withdrawn;

(b) is enrolled in a program of study that has not been favourably appraised by the Ontario Council on Graduate Studies; (Note that appraisal is mandatory for Ph.D. programs established after January 1, 1969 and Master's programs established after July 1, 1967.)

(c) has had the maximum of claimable BIUs claimed prior to the term being reported on; (Students who will exceed the maximum as a result of the term being reported on should be claimed as eligible at the full entitlement and adjustment made by means of the minima/maxima provisions, as explained in Section 4.6), or

(d) is registered but inactive. (This would include a student working on his/her thesis and not making substantial demands on the resources of the institution.)

4.3. Part-Time Studies

Any university claiming support for students not engaged in studies on a full-time basis will be expected to meet the following criteria:

4.3.1. Faculty and Teaching Staff

Instructors of part-time students are full members of the appropriate department and faculty with the full privileges and responsibilities of any regular or part-time faculty member. Appointments to the faculty, terms and conditions of work, including remuneration, should be consistent within the institution irrespective of whether a faculty member is teaching full-time or part-time students. Payment for services rendered should be based upon a regular teaching load, without regard to the time of day at which courses are taught. Overload teaching is not precluded in special circumstances.

4.3.2. Academic Structure

The development of courses of study for part-time students should be handled within the normal university structure under the direction of the senate or appropriate academic governing body. In universities where a college system is operative, it may be deemed appropriate to establish or maintain a special college having specific responsibility for part-time students. In such cases, the college itself, as well as the members of the teaching faculty and students, should have the same relationship to the university, including participation in the governing structure, as would prevail with any other college.

4.3.3. Admissions, Examinations and Academic Regulations

Regulations for part-time students should be built into the overall academic structure in such a way that the requirements for admission, promotion, degrees, etc., applying to part-time students are identical with those for full-time students. Special regulations for mature students, for example, should be university-wide or faculty-wide, without respect to wheer a student is proceeding towards a degree on a part-time or full-time basis. While it is recognized that some special academic regulations for part-time students in particular may be required, these and academic regulations of a similar nature **not** specially for part-time students should be developed and administered by the same bodies and in the same manner.

4.3.4. Scheduling

The university should schedule its classes on an integrated extended day program basis which allows part-time students to enrol in classes offered during either day or evening hours and full-time students to attend classes specifically scheduled for part-time students when practical. The foregoing does not apply to work done through correspondence courses.

4.3.5. Interpretation

Any question with respect to the eligibility of part-time students at university should be submitted in writing to the Director, Universities Branch, Ministry of Training, Colleges and Universities.

4.4. Reporting of Undergraduate Level Students

For purposes of calculating and reporting fiscal FTEs (FFTEs) for undergraduate students, a number of specialized definitions apply:

4.4.1. Definitions

4.4.1.1. Term

A period of studies (including examinations) at a university, of about 15 to 17 weeks in length; or one half an academic year; or a semester; or the equivalent, as determined by a university. The terms are deemed to be: spring term (May - August); fall term (September - December); winter term (January - April). At some institutions, summer sessions and/or intersessions also exist. These sessions are about six weeks in length, and provide the equivalent of a term of study in a limited number of courses. These sessions normally take place between May and September.

4.4.1.2. Academic Year

A period of studies (including examinations) normally comprising the months of September to April/May inclusive, or the equivalent.

4.4.1.3. Normal Full-Time Study Load

The normal full-time study load of an academic year in a program which would enable qualified persons whose principal activity is study at a university, to qualify for the university's degree or diploma in a specified normal number of academic years or terms for that program, assuming for purposes of definition, no more than one attempt at any part of those studies.

4.4.1.4. Unit of Study

A course, credit, credit hour or other unit of measurement established by a university to represent one part of the total requirements for completion of a degree or diploma program.

4.4.1.5. Registration Level

The ordinal number of years, terms, semesters, etc. employed by a university to indicate the standing of a student in the various stages or levels of a program (e.g. first year student, second year student, first semester student, etc.).

4.4.1.6. Fiscal Full-Time Equivalent

One FFTE is represented by a student whose study load in the fiscal year is equal to the normal full-time study load for his or her program and level of registration in the academic year.

4.4.2. Application of Definitions

The great variety of programs leading to degrees and diplomas means that the calculation of FFTEs by each institution will be determined by the nature of the program itself while, at the same time, complying with the intent of the definitions provided in Section 4.4.1. Some examples are provided as guidelines:

4.4.2.1. FFTE of Programs Defined by Unit of Study

Some programs measure progress toward the degree or diploma and express requirements for completing the program in exact numbers of units of study. For such programs, the "normal full-time study load" for an academic year is the total number of units of study required to complete the program, divided by the number of academic years of full-time study specified for that program. The FFTEs for a term are calculated by dividing the number of units of study registered by students in the program on the term count date, by the "normal full-time study load" for the academic year.

4.4.2.2. FFTE of Programs Defined by Academic Year

Some programs measure student progress toward the degree or diploma in "blocks" of study, usually of an academic year in duration. All work prescribed is compulsory, and promotion is from one "registration level" to the next rather than by discrete units of study. There is no part-time study, and students are not permitted to complete the degree or diploma requirements in less than the specified number of academic years or terms of full-time study. The only instance where a study overload is taken is for repeating failed work. In this case, the "normal full-time study load" is the total work of the academic year. The FFTEs for the term are equal to half the number of students registered in the program on the count date of the term.

4.4.2.3. FFTE of Programs Incorporating Normal Full-Time Study Load

Some programs, particularly some honour and professional programs, prescribe variable "normal full-time study loads" reflecting the fact that within the same program there may be differences in the work expected of individual students for the same degree or diploma. This arises because of differences in enrichment or emphasis. For such programs the "normal full-time study load" is any amount of work within the range prescribed. For students whose study loads are outside the range, the "normal full-time study load" would be the mid-point of the range, unless the institution identifies a point more representative of the loads of students engaged in full-time study in that program. The FFTEs for a term would be equal to half the number of students within the range of the "normal full-time study load" and, for students whose study loads are outside the range, the FFTEs would be determined by the sum of the study loads taken by such students in the term, divided by the normal full-time study load for the academic year. The total FFTEs for the term is the sum of the two situations above.

4.4.2.4. FFTE of Students in Credit Courses/Units of Study

In the case of students not registered in programs leading to degrees or diplomas but enrolled in units of study which are normally credited toward degrees or diplomas, the "normal full-time study load" and the method of calculating the FFTEs is governed by the program to which the units of study are usually credited.

4.4.2.5. FFTE of Students in Summer Session

The FFTEs for students registered on the applicable count dates in the summer sessions or intersessions are calculated by multiplying the number of student registrants by the fraction, in credit value, that the unit of study represents of the "normal full time study load" of the program for the academic year.

4.4.3. Concurrent Programs

Students concurrently registered in two distinct programs of study may be reported in both programs; however, the FTEs claimed under each program should reflect the course load for only that program. In the event that a student is registered in a course which could be equally well applied to either program of study, it is up to the institution to decide under which program the course will be counted. The course may not, however, be counted under more than one program for that student at any one count date.

4.4.4. Eligibility of Courses/Units of Study

For a course or other unit of study to be eligible to be included in the calculation of eligible FFTEs:

(a) it must be taken for credit;

(b) it must normally be acceptable for credit as fulfilling in part the requirements for a degree or diploma of that institution;

(c) the student must be held academically responsible for his or her achievement in it (i.e., success, failure, etc. must be noted on the student's permanent record) in a way consistent with treatment of all courses or other units of study in that program.

A course or other unit of study normally credited toward a diploma may not be regarded as eligible to be included in the calculation of eligible FFTEs in a degree program unless it is normally accepted by the institution as fulfilling in part the requirements for a degree.

4.4.5. Diploma or Certificate Programs

Effective May 1, 1986, courses or other units of study within undergraduate diploma or certificate programs at Ontario universities may be included in the calculation of eligible FFTEs only if:

(a) the course is eligible for credit toward a degree as approved by a senate or governing council;

(b) the minimum admission requirements for the certificate or diploma program are the same as those for degree students; and

(c) similar methods of academic assessment are employed for degree, diploma and certificate students.[31]

4.4.6. Certificate Programs at Ryerson

Effective May 1, 1986, courses or other units of study within certificate programs at Ryerson may be included in the calculation of eligible FFTEs only if:

(a) the course has been approved as part of an existing degree or diploma program and is transferable for full credit towards a degree or diploma program, and is transferable for full credit towards a degree or diploma;

(b) minimum admission requirements are the same as for degree or diploma students;

(c) similar methods of academic assessment are employed for degree, diploma and certificate students.

4.4.7. Additional Qualification Courses for Teachers

The Treasurer of Ontario announced on April 23, 1993, as part of the government's expenditure control plan measures, that government funding of enrolments in additional qualification courses for teachers would be phased out during a four-year period, 1993-94 to 1996-97. Commencing 1997-98, these courses will no longer be eligible for any government support.

4.4.8. Differentiating Enrolment Between Honours and General Programs in Arts and Science

The following guidelines were adopted by the Ministry [32] following acceptance of the recommendations put forward by the Ontario Council on University Affairs in Advisory Memorandum 90-V, "Differentiation Between honours and general Programs in Arts and Science".

The guidelines were developed in response to the Minister's request for advice as to whether there should be a uniform system to differentiate honours and general students for enrolment reporting purposes. [33] The basic aims of the guidelines are to ensure fair and consistent reporting practices. A common approach in differentiating between honours and general programs is employed. In general,

(a) all institutions must use the students' own declarations of the programs the students are pursuing in order to support honours/general reporting;

(b) institutions must test the student declarations against their own academic policies and procedures in order to ensure that the courses the students have completed and those in which they are currently registered and their academic records support the reasonableness of institutional claims; and

---

[31] Ontario Council on University Affairs Advisory Memorandum 85-I.

[32] Letter of November 21, 1990 from the Honourable Richard Allen, Minister of Colleges and Universities, to Dr. H.V. Nelles, Chairman, Ontario Council on University Affairs.

[33] Letters of February 15 and May 29, 1989 from the Honourable Lyn McLeod, Minister of Colleges and Universities, to Dr. H.V. Nelles, Interim Chairman, Ontario Council on University Affairs.

(c) institutions are held accountable for their application of these tests through the audit of enrolment.

4.4.8.1. Student Declarations

Procedures for obtaining/maintaining student declarations should be as simple and straightforward as possible, and yet provide accurate, up-to-date information.

Procedures and documentation requirements may vary among institutions; however, the information required on the declaration should be collected systematically and fairly.

A student declaration is required for each student that the institution proposes to report in Arts or Science at a weight greater than one and it must indicate that the student is pursuing a four-year, honours or specialist degree in a specified discipline or disciplines.

Initial Student Declarations: The students, who are the primary agents in deciding what degree and program they are pursuing, must make an active initial declaration of intent, that is to say:

a) the first declaration must be the individual student's own statement -- or a similar act of volition in the case of electronic registration, such as choosing from a list of unbiased options and then entering an appropriate selection -- not that of the university or any other party;

b) this declaration must be made at the time that the student has the first opportunity to enter a four-year honours or specialist program;

c) this declaration must be freely made -- the student must not be led into making this statement by such devices as a pre-printed response; and

d) the student's signature (or a bona fide proxy, approved in writing by the Ministry, in the case of electronic registration) is required.

Subsequent Student Declarations: Student declarations, subsequent to the initial one, are required each time the student is asked to register his or her program of courses. These declarations:

a) are to be made in a formal manner;

b) must be "active" in nature (as indicated above) when a change is required of such magnitude as to alter the student's program or honours/general classification;

c) may be simply a confirmation of the student's registration status, if not subject to the "active" provision above (e.g., no change at all or merely a course drop/add change).

The university must have on file, for each applicable count date, a current and accurate record of the student declaration for each student in Arts or Science at a weight greater than one for whom the institution is seeking formula funding.

4.4.8.2. University Attestations

As with student declarations, university attestation procedures and documentation requirements may vary among institutions. Although each university's attestation procedure may be developed independently of the other universities and is to be based on the institution's own academic policies, the attestation must contain at least the following elements:

a) The student must have successfully completed the university's first year requirements and the requirements for entry into an honours or a four-year specialist program in Arts or Science. (In the case of universities on credit systems, this would normally mean that a student must have successfully completed at least four full courses or eight half courses before he/she may be reported in the upper years honours category.)

b) The procedure must assess whether the student had met, or could reasonably be expected to meet, the university's requirements for a specialist or honours degree in the specified discipline(s), given the courses enroled in and the work completed to date. This examination of the students' records must include:

   - the courses completed and registered in with regard to the subject of specialization;

   - the seniority of the courses of the subjects(s) of specialization completed or registered in; and

   - the academic record of the students, all in relation to the university's own academic requirements.

The attestation procedure must also verify whether the student has obtained all necessary approvals from appropriate authorities in the university.

The institution's external auditor must ensure that the above minimums, at the very least, are met.

Students may be categorized as honours/specialists for enrolment reporting purposes only if:

a) their declarations indicate that they are pursuing a specialized or honours program leading to a four-year degree, and

b) they state the subject(s) of specialization, and

c) the institution's test of the students' declaration substantiate the reasonableness of the students' claim.

The university must have on file, for each applicable count date, a current and accurate record of the university attestation for each student in Arts or Science at a weight greater than one for whom the institution is seeking formula funding.

A detailed description of each university's specific methodology for obtaining and verifying student declarations is to be sent to the Ministry, in writing, prior to implementation of the methodology under the guidelines outlined here. After reviewing the submission, the Ministry will provide written confirmation regarding the compliance of the methodology to these guidelines. What is sent to the Ministry must be the description that the institution's external auditor will use to verify that the institution has adhered to its own regulations. (Any significant change to this description requires Ministry confirmation.)

Each institution's description of the specific methodology for verifying student declarations (and any subsequent changes) will be circulated by the Ministry to the other universities for their information.

4.4.8.3. Implementation

In keeping with the concept of openness and fairness, matters requiring Ministry interpretation/clarification will be transacted in writing by both the institution concerned and the Ministry; the outcome(s) of this procedure will be made known to the other institutions by the Ministry.

Enrolment reporting under the guidelines became effective in 1992-93. The effects of the guidelines on reported BIU counts are to be phased-in over a five-year period, to be fully implemented by the end of 1996-97.

Institutions were permitted to omit the phase-in process, if they so chose and were able to demonstrate that reporting all applicable Arts and Science enrolment under the new guidelines would result in a reduction or no change in applicable BIU counts. Institutions were to advise the Ministry, in writing, of their intentions in this regard when they submitted the initial enrolment report using these (new) guidelines. [34]

For those institutions opting to phase-in the effects of the guidelines, their "blended" Arts and Science BIU counts are to be used for funding purposes. These "blended" counts are based on one-fifth of the enrolment reported under the new reporting requirements and four-fifths under the old reporting requirements in 1992-93, two-fifths "new" and three-fifths "old" in 1993-94, and so forth until 1996-97 when all Arts and Science BIU counts will be based on enrolment reported under the new guidelines only, i.e., with no blending.

For funding in 1993-94, the first funding year of the phase-in period, each institution will have included in its moving average **the greater of**:

a) its "blended" Arts and Science BIUs calculated for 1992-93, **or**
b) its Arts and Science BIUs reported for 1992-93 under the old guidelines **minus** 1 per cent.

For funding in 1994-95, each institution will have included in its moving average **the greater of:**

a) its "blended" Arts and Science BIUs calculated for 1993-94, **or**
b) its "blended" Arts and Science BIUs calculated for 1992-93 minus 1 per cent,

---

[34] Letter of March 25, 1991 from the Honourable Richard Allen, Minister of Colleges and Universities, to the Executive Heads of the provincially assisted universities and related institutions.

and so on, by updating calculations for successive years up to and including funding year 1997-98, the last funding year of the phase-in period.

Commencing funding year 1998-99, BIUs for each new year to be added to the moving average will incorporate Arts and Science BIUs reported only under the new guidelines.

This methodology will ensure an orderly progression to the new guidelines for the few institutions significantly affected by the changes and, at the same time, allow institutions to adapt, as appropriate, during the phase-in period.

Enrolment and associated major trends will be monitored in order to provide confidence in the data reported under the guidelines, i.e., to ensure that there is a reasonable degree of inter-institutional consistency in enrolment reporting and to ensure satisfaction of the fairness and comparability of the enrolment data used.

4.4.9. Arts and Science Programs Not Differentiated Between General and Honours

All students in undifferentiated programs in Arts and in Science not assigned a special weight (that is, a weight greater than 1.0) should be reported as if they were enrolled in the general course, except in the case of fourth year students (who are readily acknowledged as being in the honours category) and except for students in lower years who by virtue of academic standing, or other appropriate criteria embodied in university regulations, may reasonably be considered honours students.

Criteria for such differentiation, if they affect the calculation of funding BIUs, are subject to approval by the Ministry. Universities reporting second and third year students in Arts and in Science as honours should have a clearly differentiated honours program of study in Arts and/or in Science which is clearly distinct from the general program of study, or should have a record on file of the Ministry's approval of the academic criteria in use by the university for the differentiation of honours students for reporting purposes. Commencing 1992-93, the criteria for differentiating honours and general enrolment in Arts and Science programs must conform to Ministry guidelines set out in Section 4.4.8.

4.4.10. Imputing Procedure for Undifferentiated First Year Programs

Where a university employs an undifferentiated program, it is usually impossible to determine first year enrolments which would carry a weight in excess of 1.0 for first year, as first year students are not differentiated until they pass into their second year. In these circumstances, for purposes of calculating the BIU counts which would be generated by these students, enrolments in such programs shall be imputed as follows:

For each program carrying a weight in excess of 1.0 for first year:

(a) Determine for year A, the ratio of second-year enrolment in that program to total second year enrolment.

(b) Calculate provisional first year enrolment in that program by applying this ratio to total first year enrolment.

(c) A year later, on the basis of programs actually taken by the former first year students now in second year, redetermine the ratio.

(d) Apply the amended ratio to year A's total first year enrolment. The result, for BIU count purposes, will be the final first year enrolment in that program for year A.

(e) An imputing adjustment in year B will be reported for the difference between provisional and final first year enrolment in that program in year A.

The above procedure can be extended to the second year of programs whose students are not identifiable as being enrolled in them until the third year. Ministry approval is required to claim imputed BIUs for funding. Such BIUs will be treated as normal BIUs for the purpose of financing.

4.5. Reporting of Graduate Level Students

4.5.1. Graduate Student Status

A graduate student claimed for formula support must:

(1) be engaged in studies requiring an honours undergraduate degree, or its equivalent, as a prerequisite for admission -- except for students enrolled in Category 5 [35] graduate programs where the honours degree admission requirement does not apply. (Students holding an undergraduate general degree, or its equivalent, and enrolled in programs listed under Categories 6, 7 and 8 should be identified as "qualifying year" or "make-up" students and reported as undergraduates.)

(2) be making substantial demands upon the resources of the university where registered;

(3) not be enrolled in a baccalaureate program in any of the following professional fields: social work, library science, law, medicine, teacher education (even if such a student possesses an honours undergraduate degree, he or she is not considered to be a graduate student);

(4) not be ineligible for any of the reasons outlined in Section 4.2.

4.5.2. Full-Time Graduate Student

A full-time graduate student must:

(1) be pursuing his or her studies as a full-time occupation;

(2) identify himself or herself as a full-time graduate student;

(3) be designated by the university as a full-time graduate student;

(4) be geographically available and visit the campus regularly. Without forfeiting full-time status, a graduate student, while still under supervision, may be absent from the university (e.g., visiting libraries, doing field work, attending a graduate course at another institution, etc.) provided that, if any such period of absence exceeds four weeks in any one term, written evidence shall be available in the Graduate Studies

---

[35] See Section 3.2.4 for a listing of categories.

Office to the effect that the absence has the approval of the Chairman of the Department and the Dean of Graduate Studies;

(5) be considered to be a full-time graduate student by his/her supervisor or equivalent (designated by the university);

(6) As well as meeting the requirements for full-time status listed above, a student reported as belonging to the special category known as "summer school graduate student", must have been enrolled in a graduate full-time summer program of not less than six week's duration. The full-time equivalents of summer school graduate students are arrived at by multiplying student numbers by a conversion factor of 0.50.

(7) If reported as a full-time summer school graduate in the enrolment for a term report, a student could not also, for that term, be reported as a part-time student. The general rule is that no student may be counted in more than one basic category (full-time, part-time or summer school) in any one term.

4.5.3. Part-Time Graduate Student

All active graduate students other than full-time graduate students as defined above are part-time graduate students.

4.5.4. Counting of Graduate Student FTE

Graduate enrolment is counted on a semester basis, as for undergraduates. Enrolment for two semesters is required for the completion of a "year" for students in Category 5 (weight 2) [36], while three semesters would be required for each full "year" in Categories 6 (weight 3), 7 (weight 4) and 8 (weight 6). Accordingly, students in Category 5 and Category 6 will earn a weight of 1.000 for each semester of attendance, while Category 7 and 8 students will earn, per semester, weights of 1.333 and 2.000 respectively.

The requirements for graduate student status are detailed in Section 4.5.1. above.

Minimum and maximum limits apply to the number of BIUs which a graduate student can generate for a university. See Section 4.5.5.

Part-time graduate students should be reported on a semester basis, calculating the FTE which each student can generate at 0.300 FTE per student. Graduate summer school students are considered as being full-time for one half a semester, and therefore count for 0.500 FTE each. (See also Section 3.2.1).

4.5.5. Minima-Maxima Provisions

The purpose of the minima/maxima provisions is to ensure that the total of funding units claimed for a graduate student fall within a defined range, independent of the actual number of years required by the individual student to complete his or her program of study. These ranges are as follows:

---

[36] See Section 3.2.4 for a listing of categories.

FORPOS Category[37]	Minima	Maxima
Category 6 (Weight 3.0)	3 BIUs	6 BIUs
Category 7 (Weight 4.0)	4 BIUs	8 BIUs
Category 8 (Weight 6.0)[38]	21 BIUs	27 BIUs

The minima/maxima provisions were intended to apply only to programs involving a dissertation and ordinarily extending beyond a single academic session. It was for this reason that enrolment in Category 5 programs and in graduate diploma courses are excluded from the minima/maxima provisions. Theology programs reported at a weight of 0.5 per term are considered to fall within Category 5 for purposes of the minima/maxima provisions.

Minima and maxima provisions for graduate enrolment in education programs apply to students first registering after June 30, 1971.

4.5.5.1. Effective Dates

The limits shown above came into effect commencing with the 1968-69 academic session, which was the first year for accumulating units to be counted against individual students (1971-72 for students in education programs). The minima entitlement provisions apply only to students whose graduate studies began in 1968-69 or later (1971-72 in the case of students in education programs).

4.5.5.2. Minima Provisions

If, upon graduation, the total units claimed for a student fall short of the indicated minimum for his or her program, the shortfall may then be claimed as a minimum adjustment. Since it is not possible to predict on given reporting dates whether particular students will in fact be graduating at the conclusion of the semester being reported on, claims for students under the minimum provision should be made after they graduate.

4.5.5.3. Maxima Provisions

Students who are still in attendance and who have reached their maximum limit in total BIUs should be reported as ineligible for financial support purposes, and no further BIUs may be claimed on their behalf.

4.5.5.4. Claiming (or Deducting) of BIUs Under Minima/Maxima Provisions

The report of BIUs claimed or deducted under these provisions should be submitted on the prescribed form along with the enrolment submissions. Claims under the minima provisions should be made on the form submitted immediately following the graduation of the student for whom entitlement is being claimed.

Students partially exceeding the maximum in the term being reported should be shown on the enrolment submission so as to generate the full BIU count in that term, and then the appropriate reduction to attain the maximum should be shown on the minima/maxima form; formula fees will be deducted for all such students. Students who are still in attendance and who have entirely exceeded their maximum limit should be reported as ineligible for grant purposes. Students for whom no units are claimed will not have formula fees charged against them.

---

[37] See Section 3.2.4 for a listing of categories.

[38] Calculation of claims under these provisions must take into account all units claimed for students while they were in Category 6 or 7 programs.

4.5.6. Transfer of Entitlement

4.5.6.1.

Students transferring into the Ontario system with advanced graduate standing shall have the number of BIUs ordinarily associated with the obtaining of such standing attributed to them.

4.5.6.2.

A graduate student transferring from one university to another within the Ontario system shall transfer only the remainder of his or her maximum total units.

4.5.6.3.

Graduate students who transfer to graduate programs other than those originally embarked upon and on which units were earned will be dealt with as follows:

(a) where advanced standing was granted, the units ordinarily associated with the obtaining of such standing should be attributed to the student; and

(b) where no advanced standing was granted, no units previously claimed for the student need be carried forward.

5. SPECIAL PROVISIONS

5.1. Tuition Fees

5.1.1. Regular Tuition Fees

Standard ("formula") tuition fees are taken into account in the calculation of the operating grant entitlements for each institution. In setting its own support levels, the government considers the basic operating income of the institutions, of which fees are a part.

5.1.2. Discretionary Fees

5.1.2.1.

Through their individual acts of incorporation, Ontario universities have full legal authority to establish their own fee levels. Government regulations provide for a penalty in the form of a grant reduction for fees charged above permitted levels.

5.1.2.2.

The government introduced a provision in 1980-81 allowing institutions to charge a discretionary portion, in addition to the standard tuition fees, without a reduction in government operating grants. The revenue accruing from the discretionary portion of the fees is not considered to form part of basic operating income and thus may be applied to any category of expenditure, with the exception noted below for 1996-97.

Commencing 1980-81, the discretionary portion was set at 10%, allowing institutions to charge up to 110% of the standard fee without grant penalty.

Commencing 1987-88, as a result of changes in policy governing ancillary fee structures, the discretionary portion was increased to 13%, providing for tuition fee rates of up to 113% of the standard fees without a reduction in operating grants.

For 1996-97, the discretionary portion was increased by an additional 10%. Universities could apply the additional 10% discretionary fee on an institution-wide basis. Provided that the revenue generated across all programs did not exceed 123% of the total standard fee revenue across all programs and no single increase from the discretionary component exceeded 20%, (or 33% above the standard fee rate) no grant penalty would be assessed. Appendix 5.1.2.2. shows the implications of this policy on fee rates. 10% of the additional fee revenues were to be reserved for local student aid (calculated as 10% of the difference between the 1995-96 and 1996-97 fee levels, including the discretionary portion, applied to 1996-97 FTE eligible enrolments).

In 1997-98 the discretionary portion was increased by an additional 10%. Universities had the option of increasing average fees by zero to 10% (or 35.3% above the standard fee rate) to a maximum increase of 20% (or 59.6% above the standard fee rate) for any single program without a grant penalty being assessed. Any board that chose to increase fees was required to set aside 30% of the extra revenue to assist students in financial need. This amount would be set aside in addition to the amount first designated for the purpose of student aid under the 10% set-aside in 1996-97.

In 1998-99 the discretionary portion was increased on average by up to 5% to improve the quality of students' programs and an additional 5% to invest in additional education program improvements (or in total 48.8% above the standard fee rate). The maximum increase for any single program is 20% (or 75.6% above the standard fee rate). Universities must set-aside 30% of the annual increase in fee revenue for student assistance and must publish a Quality Improvement Plan concerning the planned use of the additional tuition revenue. Within 12 months of approving a fee increase and annually thereafter institutions must publish a report on the actual use of the increased fees. A penalty in the form of a government operating grant reduction will be applied to any university that does not comply with the tuition fee policy.

5.1.2.3.

Whether or not the universities levy tuition fees in accordance with the schedule shown in Appendix 5.1.1 of this manual (also shown in the "Essential Notes and Instructions" for enrolment reporting), the Ministry will deem fees to have been levied by the institutions at the standard rates for the purpose of calculating their grant entitlements.

5.1.2.4.

During the early years of "formula" funding of Ontario universities, some special provisions applied to graduate students. A tuition fee exemption was allowed to full-time graduate students in respect of the third of three terms consecutively attended. This exemption was discontinued effective September 1, 1972. Further, permission to use government grants and fees to offset the third term fee was discontinued effective September 1, 1975. The standard fee is now deducted for each term of attendance for all graduate students, including the full-time equivalents of part-time students.

5.1.2.5. Additional Cost Recovery Fees

Universities have discretion to set the fees for additional cost recovery programs (as defined in section 3.1.6). Tuition fees for students enrolled in 1997-98 in these programs will be protected from annual increases exceeding 20%, until such time as they could reasonably be expected to have graduated from their 1997-98 program. All domestic students in the same program and year of study must be charged the same tuition fee rate.

As with regular program fee increases, universities must set-aside 30% of the annual increase in fee revenue for student assistance, and must publish a Quality Improvement Plan concerning the planned use of the additional tuition revenue. Within 12 months of approving a fee increase and annually thereafter institutions must publish a report on the actual use of the increased fees. A penalty in the form of a government operating grant reduction will be applied to any university that does not comply with the tuition fee policy.

5.1.3. International Student Tuition Fees

Ministry-regulated differential fees for international students were instituted in 1977-78 and continued until 1995-96. Effective 1996-97, government funding for the majority of international students was discontinued and tuition fees were deregulated. Universities are now allowed to set tuition fees for all international students who are ineligible to be claimed for funding purposes. Certain categories of international students may qualify as eligible for funding. Those students should be charged a maximum of the domestic fee rate. The categories of international students that are eligible or ineligible to be counted for funding purposes are listed in Section 4.1 and 4.2, respectively.

All international students enrolled in 1995-96, with the exception of students who received a graduate differential fee waiver in 1995-96 (see Item c below), are to be grandparented until either they complete their current program or up to and including the 1998-99 winter term, whichever is earlier. Note:

(a) For grandparented students assessed the international differential fee in 1995-96, the maximum tuition fee that a university may charge for the period 1996-97 to 1998-99 is the lesser of:

  a) the fee that would have been charged had the 1995-96 differential fee policy remained in place, or

  b) the international fee charged to new international students in that program.

(b) International students who were exempt from differential fees in 1995-96 will be assessed a maximum of the appropriate domestic fees until either they complete their current program or up to and including the 1998-99 winter term, whichever is earlier. These students will cease to be grandparented if they lose their scholarships or sponsorships which had permitted them to be exempt in 1995-96.

(c) Students who had received a graduate differential fee waiver in 1995-96, and who would have been awarded a graduate fee waiver in 1996-97 will be assessed a maximum of the appropriate domestic tuition fee in 1996-97.

With regard to grandparented international students and international students who are claimed as eligible for government funding under Section 4.1.3, institutions are expected to have documented procedures in place and implemented that will substantiate the student's grandparented or eligible funding status.

Institutions are required to report international students to the Ministry, whether or not these students are eligible or ineligible for funding purposes.

Institutions are also required to report all international fee schedules to the Ministry annually, for information purposes.

5.2. Compulsory Ancillary Fees

5.2.1.

A compulsory ancillary fee is defined as a fee imposed or administered by a given institution, or one of its constituent parts or its federated or affiliated institutions, in addition to regular tuition fees, which a student is required to pay in order to enrol in, or successfully complete, any credit course.

5.2.2.

Compulsory courses are defined by the Ministry as those courses which a student is required to take in order to fulfil the requirements of his or her program or degree. This definition is of specific concern with respect to field trip fees (see Appendix 5.2, Part C).

5.2.3.

A tuition-related compulsory ancillary fee is a fee which is levied to cover the costs of items normally paid for out of operating or capital revenue (operating and capital grants and tuition fees). Effective May 1, 1987, all "tuition-related" compulsory ancillary fees for items normally paid for out of **operating** revenue were prohibited. Effective September 1, 1991, all compulsory ancillary fees for items eligible for **capital** grants were also prohibited. Any revenue resulting from such fees will be considered to be tuition fee revenue. [Note: Fees associated with the cost of buildings, such as student centres or other facilities which are **not** normally eligible for capital grants, are permitted, whether collected as independent fees or as part of student activity fees.]

5.2.4.

A non-tuition-related compulsory ancillary fee is a fee which is levied in order to cover the costs of items which are not normally paid for out of operating or capital revenue.

5.2.5.

For the purposes of this policy guideline, the term student governments is defined as follows:

> the minimum number of student organizations which have both elected leadership and by-laws setting out their methods of operation and which, when viewed in combination at an individual institution, represent all students who are eligible to vote for a student organization.

The term student government representatives is defined as one representative from each of the above-defined student governments.

These definitions are of specific concern with respect to sections 5.2.7, 5.2.8, 5.2.9, 5.2.10, and the associated appendices.

5.2.6.

All compulsory ancillary fees levied by a university or related institution must:

(i) be non-tuition-related, as defined above;

(ii) be approved by the governing body;

(iii) be announced prior to collection through the institution's calendar and/or published fee schedule(s). [The fee announcements must provide a breakdown of all compulsory non-tuition-related ancillary fees, which explains their purpose(s) sufficiently to allow the student to understand clearly what materials, services or facilities have been made available through payment of the fee(s)]; and

(iv) be reported annually to the Minister of Training, Colleges and Universities (see Appendix 5.2, Part A).

5.2.7.

Compulsory non-tuition-related ancillary fees (except as exempted in Section 5.2.8) which were in effect during the 1993-94 academic year [39] can neither be increased above 1993-94 levels, nor expanded to include new fees, except through the implementation of a **protocol** which has been agreed to by representatives of the institution's administration and student government representatives [in light of the announcement of March 23, 1994 by the Minister of Training, Colleges and Universities] and which has received approval from the institution's governing body.

The protocol(s) will set out the means by which students will be involved in decisions to increase the existing compulsory non-tuition-related ancillary fees or to introduce new ones.

The minimum requirements for a protocol document are provided in Appendix 5.2, Part B - Section I. Examples of some of the non-tuition-related compulsory ancillary fees which might be introduced or increased through the operation of a protocol are found in Appendix 5.2, Part B - Section II.

All approved protocols, showing the approval signatures and the dates of approval, must be submitted to the Director, Universities Branch, Ministry of Training, Colleges and Universities.

5.2.8.

Compulsory non-tuition-related ancillary fees which are exempt from the provisions of Section 5.2.7 are limited to those that follow:

(i) existing and future fees established by student governments, including those resulting from referenda sponsored by them;

(ii) existing fees established through referenda where the sponsor of the referenda was the university administration or a combination of the university administration and students; [University administrations cannot proceed with referenda concerning compulsory non-tuition-related ancillary fees, unless provided for within a protocol.]

(iii) existing and future system-wide fees. System-wide fees are those where, through a formal agreement, the students affected at all Ontario universities pay a comparable fee for a comparable service; [In the case of provincial-based system-wide fees established in the future, the Ministry hopes that students can be involved in the determination of these fees.]

(iv) existing and future fees for the materials and services listed in Appendix 5.2, Part C;

(v) existing and future fees for the total costs of placing students in jobs for work terms. The types of placement costs that are considered eligible for this fee are described in Appendix 5.2, Part D.

---

[39] The academic year will be that defined in each institution's academic calendar.

In regard to the compulsory non-tuition-related ancillary fees referenced in item (iv) and item (v) of Section 5.2.8 above, institutions must comply with the following provisions:

(i) institutions must provide a full rationale for each fee, including the reasons for its compulsory nature, at the time it is submitted to the governing body for approval;

(ii) institutions must provide the above rationale to student governments, as well as any other information necessary for student governments to understand the purpose of the fee, the costs included in calculating the fee level, the students for whom the fee will be compulsory, the total revenue available from the fee and the process used for developing the fee; and,

(iii) institutions must respond with a full explanation to inquiries made by student governments in connection with concerns about any of these fees.

5.2.10.

Should an institution levy a compulsory ancillary fee or institute an ancillary fee increase which is contrary to the provisions outlined above and should, in the case of fees covered under Section 5.2.7, no resolution be achieved through discussions among signatories to a protocol, then the institution's operating grant will be reduced by an amount which corresponds to the revenue raised by the fee or the fee increase.

5.3. Exchange Programs and Study Abroad Courses/Programs

Ministry policy concerning exchange programs and study abroad courses and programs has been essentially the same since 1981-82, with the exception of modifications necessitated by the deregulation of international student fees in 1996-97.

5.3.1.

With regard to exchange programs or study courses/programs offered abroad, operating support is intended only for credit courses: [40]

(a) which are recognized as integral parts of specific degree programs at the Ontario institution, and

(b) where effectiveness would be seriously impaired if taught at the Ontario institution instead of abroad, and

(c) where duration in contact hours or equivalent is not less than comparable courses or programs offered at the Ontario institution during the same session.

Summary information on all study abroad courses and programs claimed for operating grants and all the necessary supporting data should be submitted annually by the responsible deans to the institution's registrar, who should see that they are cross-referenced to individual student records and kept on file to be made available to university auditors during the course of their audits of enrolment. See Appendix 4.0 for audit guidelines.

---

[40] Excluding any courses offered as part of a holiday package.

5.3.2.

A student abroad may be claimed for operating support if he/she is registered in an Ontario institution and enrolled for credit in a degree program described in its official calendar, and is either:

(1) an exchange student studying abroad under the terms of a formal exchange agreement, or

(2) a student not part of an exchange program who has:

(a) been assessed the regular academic fee for the course or program being taken;

(b) received instruction paid for by the Ontario institution, regardless of whether the course or program is:

i. offered by the institution's own faculty, or

ii. provided by faculty hired by the Ontario institution, or

iii purchased from a university abroad attended by the student and leading to academic credit,

and where the direct cost (including only items on which provincial operating grants and fees can normally be spent) is similar to that which would be incurred if the student were receiving instruction at the home institution.

5.3.3.

An international student studying in Ontario under the terms of a formal exchange agreement may not be claimed as eligible for operating support purposes, with the exception of a student studying in Ontario as a participant in an Ontario government sponsored exchange agreement.[41]

5.3.4.

Consistent with section 5.3.3, international students studying in Ontario under the provisions of the Ontario/Four Motors for Europe student exchange programs and the Ontario/Four Motors for Europe Multiregional International Business Program (MIBP) may not be claimed as eligible for operating support purposes. (These students are also exempt from the payment of any tuition fees in Ontario.)

---

[41] Such as the Ontario-Jiangsu Academic Exchange Agreement between the Ontario Ministry of Education and Training and the Higher Education Bureau of Jiangsu Province, China.

5.4. Students Enrolled at Unrelated Institutions

5.4.1. Cooperative Programs

Wherever a student registered in a program at one institution receives some instruction in that program from another unrelated institution, the following rules apply:

5.4.1.1.

No matter where the student is taught, BIUs may only be claimed by the student's home university (i.e., the university where the student is registered). Fees will be deducted from the university claiming the Basic Income Units.

5.4.1.2.

The arrangement made for payment between the home and host universities should not be reflected in the enrolment reports. Such matters are internal to the institutions involved.

5.4.2. Letter of Permission

When a student receives a formal letter of permission to register in a course or courses at another unrelated institution, each institution may only claim BIUs for those courses for which the student is actually registered at that institution.

5.4.3. Visiting Graduate Students

When a graduate student is registered in a program at one institution and receives some instruction in that program at another unrelated institution, BIUs may be claimed only by the student's home university, i.e., the university where the student is actually registered. The arrangement made for payment between home and host universities should not be reflected in the enrolment reports as it is a matter internal to the institutions involved.

APPENDICES

Note:

To facilitate referencing, appendices are numbered to correspond with the section in which they are first referenced in the body of the manual. The appendices appear in numerical order.

APPENDIX 1.2

SUMMARY OF MAJOR CHANGES IN THE FORMULA 1967-68 TO 1986-87

GRANTS FOR FISCAL YEAR	BIU VALUE	FORMULA WEIGHT CHANGES	COMMENTS
1967-68	$1,320		
1968-69	$1,450 + $24 computer grant		
1969-70	$1,530 + $26 computer grant	(i) undergraduate medicine: 3.0 to 5.0 (ii) undergraduate dentistry: 3.0 to 5.0 (iii) undergraduate veterinary medicine: 3.0 to 5.0 (iv) interns and residents: 1.5 to 2.5 (v) thesis only category (wt.1.0) discontinued. Students to be claimed either as full or part-time.	(i) definition of graduate students for category 5 requires only general (not honours) degree plus other new conditions. (ii) FTE of part-time graduates including graduate summer school changed from a division of course registrations by 5 to a multiplication of part-time numbers by 0.30 reported and weighted on a trimester bases.
1970-71	$1,650 (computer grant incorporated in BIU value)	(i) optometry from 2.0 to 3.0	(i) Graduate summer school conversion factor changed from 0.30 to 0.50.
1971-72	$1,730		(i) 10 month fiscal year (ii) Graduate formula fee increased from $133 per term to $242.50 per term; free third term introduced.
1972-73	$1,765		(i) Conversion factor for part-time undergraduates changed from course registration divided by 6.0 to division by 5.5 for institutions with integrated full and part-time programs. (ii) $100 increase in formula fee for two terms. (iii) free third term ended; graduate bursary introduced.

APPENDIX 1.2 (Continued)

GRANTS FOR FISCAL YEAR	BIU VALUE	FORMULA WEIGHT CHANGES	COMMENTS
1973-74	$1,825		(i) Slip year introduced. (ii) Part-time undergraduate conversion factor to 5.0.
1974-75	$1,955	(i) Upper years undergraduate social work: 1.0 to 1.5 (ii) Masters social work: 3.0 to 4.0 (iii) Forestry technology: 1.0 to 1.2 (iv) Engineering technology: 1.0 to 1.2	
1975-76	$2,111	(i) Ryerson weight established at 1.30	(i) Graduate bursary terminated.
1976-77	$2,312 undergraduate $2,255 graduate	(i) Ontario College of Art weight established at 1.30	(i) Undergraduate enrolment based on 1/3 1974-75 and 2/3 1975-76; graduate based on 1975-76 actual with 3 year freeze. (ii) International student fee of $750 per term based on current enrolment. (iii) Fractional unit counting introduced. (iv) Three term undergraduate reporting.
1977-78	$2,542 undergraduate $2,478 graduate		(i) Undergraduate enrolment based on 1/3 1974-75, 1/3 1975-76 and 1/3 1976-77. (ii) $100 increase in formula fee for two terms except for international students.
1978-79	$2,678 undergraduate $2,611 graduate		(i) Undergraduate count based on Undergraduate Funding Base plus 1/2 (Moving Average less U.F.B.)

APPENDIX 1.2 (Continued)

GRANTS FOR FISCAL YEAR	BIU VALUE	FORMULA WEIGHT CHANGES	COMMENTS
1979-80	$2,833 undergraduate $2,762 graduate		(i) Graduate Funding Base (average of 1974-75, 1975-76 and 1976-77) plus for Masters 1/2 (Moving Average - GFB) and for Doctoral 1/3 (Moving Average - GFB). (ii) Formula fee increased by 5% overall.
1980-81	$3,061 undergraduate $2,985 graduate	(i) Ryerson Moving Average Weight changed from 1.30 to 1.38	(i) Formula fee increased by 7.5% overall. (ii) Limit of 10% above formula fee set for actual tuition fees; charges above 10% to result in formula grant reductions.
1981-82	$3,368 undergraduate $3,284 graduate	(i) Changes to Ryerson's institutional weights as follows: Funding base from 1.3 to 1.34 Moving average from 1.38 to 1.36	(i) New policy introduced on exchanges and study abroad. (ii) Freeze introduced on new undergraduate programs. (iii) Formula fee increased by 10% overall.
1982-83	$3,749 undergraduate $3,656 graduate		(i) Freeze is lifted and new program approval policy is introduced re new undergraduate programs. (ii) Extraordinary formula fee increases for "new registrant" foreign students to $1,350 and $2,200 per term, for Type A and Type B programs respectively. Effective September 1, 1982. (iii) All other formula fees increased by 12.2%.

APPENDIX 1.2 (Continued)

GRANTS FOR FISCAL YEAR	BIU VALUE	FORMULA WEIGHT CHANGES	COMMENTS
1983-84	$3,962 undergraduate $3,864 graduate		(i) Second and final stage of extraordinary formula fee increases for "new registrant" foreign students. New Rates: $1,890 and $3,080 per term for Type A and Type B undergraduate programs respectively. $2,310 for graduate programs. (ii) All other formula fee rates increased by 5% overall.
1984-85	1983-84 (Old) Formula: $4,128 undergraduate $4,026 graduate New Formula: $3,124 Base $ 977 Moving Average		(i) Combination of 2 formulae used: 2/3 grant calculated with 1983-84 formula and 1/3 grant calculated with new formula. (ii) Special provision to ensure that no institution's formula grant increases by less than 5% over 1983-84 level. (iii) All formula fee rates increased by 5%.
1985-86	Old Formula: $4,162 undergraduate $4,059 graduate New Formula: $3,187 Base $ 975 Moving Average		(i) All formula fee rates increased by 5%. (ii) Combination of two formulae used again: 2/3 grant calculated using "old" formula, 1/3 grant calculated using "new" formula.
1986-87	Old Formula: $4,039 undergraduate $4,203 graduate New Formula: $3,312 Base $1,006 Moving Average		(i) All formula fee rates increased by 4%. (ii) Special provisions to ensure that no institution's formula and extra formula grant increased by less than 3.5% over 1985-86.

APPENDIX 1.3.2

ENROLMENT ADJUSTMENT/ACCESSIBILITY/ ENHANCED ACCESS FOR STUDENTS WITH DISABILITIES ENVELOPE ($)[1]

Year	General Enrolment	Students With Disabilities	Total
1987-88	25,000,000		25,000,000
1988-89	36,014,154		36,014,154
1989-90	84,000,000	4,000,000	88,000,000
1990-91	65,522,000	4,188,000	69,710,000
1991-92	52,951,023	4,848,600	57,799,623
1992-93	23,352,000	4,892,000	28,244,000
1993-94		4,892,000	4,892,000
1994-95		4,892,000	4,892,000
1995-96		4,892,000	4,892,000
1996-97		4,892,000	4,892,000
1997-98		4,892,000	4,892,000
1998-99		5,752,000	5,752,000

TRANSITION ENVELOPE ($)

Year	Accessibility Envelope (General Enrolment) Phase-Out	Additional Growth Fund	Total
1990-91	18,459,288	52,400,000[2]	70,859,288
1991-92	31,048,977	78,377,889	109,426,866
1992-93	60,648,000	88,878,000	149,526,000
1993-94		172,138,043	172,138,043
1994-95		169,112,000	169,112,000
1995-96[3]		171,725,890	171,725,890

---

[1] The character of this envelope changed over the years. See sections 1.3.2, 1.3.11.4, and 1.3.11.6 for details.

[2] Includes $4.7 million that was added to the original allotment.

[3] Last year for separate Transition Envelope; funding integrated with Basic Grants Envelope commencing 1996-97.

APPENDIX 1.3.4.1.

NORTHERN ONTARIO OPERATIONS GRANTS ($)

Year	Lakehead	Laurentian	Algoma	Hearst	Nipissing	Total
1975-76	550,000	550,000	90,000	30,000	60,000	1,280,000
1976-77	1,075,000	1,085,000	150,000	90,000	141,000	2,541,000
1977-78	1,257,000	1,223,000	158,000	92,000	187,000	2,917,000
1978-79	1,380,000	1,356,000	166,000	97,000	214,000	3,213,000
1979-80	1,484,000	1,434,000	167,000	93,000	238,000	3,416,000
1980-81	1,572,000	1,508,000	170,000	96,000	245,000	3,591,000
1981-82	1,668,000	1,618,000	170,000	98,000	250,000	3,804,000
1982-83	1,805,000	1,772,000	177,000	102,000	274,000	4,130,000
1983-84	2,027,000	2,018,000	185,000	102,000	340,000	4,672,000
1984-85	2,233,000	2,247,000	191,000	101,000	404,000	5,176,000
1985-86	2,423,000	2,480,000	210,000	110,000	453,000	5,676,000
1986-87	2,598,000	2,671,000	226,000	115,000	478,000	6,088,000
1987-88	2,721,000	2,826,000	237,000	120,000	485,000	6,389,000
1988-89	2,883,000	3,001,000	241,000	117,000	518,000	6,760,000
1989-90	3,156,000	3,353,000	239,000	123,000	583,000	7,454,000
1990-91	3,303,000	3,504,000	252,000	128,000	613,000	7,800,000
1991-92	3,476,000	3,688,000	266,000	135,000	645,000	8,210,000
1992-93	3,612,000	3,834,000	276,000	141,000	670,000	8,533,000
1993-94*	3,347,000	3,307,000	256,000	219,000	781,000	7,910,000
1994-95	3,288,000	3,249,000	252,000	215,000	767,000	7,771,000
1995-96	3,245,000	3,207,000	249,000	212,000	757,000	7,670,000
1996-97	2,715,000	2,684,000	208,000	177,000	633,000	6,417,000

NORTHERN ONTARIO MISSION GRANTS ($)

Year	Lakehead	Laurentian	Algoma	Hearst	Nipissing	Total
1987-88	1,278,000	1,327,000	111,000	56,000	228,000	3,000,000
1988-89	1,279,000	1,332,000	107,000	52,000	230,000	3,000,000
1989-90	1,270,000	1,349,000	96,000	50,000	235,000	3,000,000
1990-91	1,270,000	1,348,000	97,000	49,000	236,000	3,000,000
1991-92	1,270,000	1,347,000	97,000	50,000	236,000	3,000,000
1992-93	1,270,000	1,347,000	97,000	50,000	236,000	3,000,000
1993-94*	1,177,000	1,162,000	90,000	77,000	275,000	2,781,000
1994-95	1,156,000	1,142,000	89,000	75,000	270,000	2,732,000
1995-96	1,141,000	1,127,000	87,000	75,000	266,000	2,696,000
1996-97	954,000	943,000	73,000	62,000	223,000	2,255,000

* Pseudo campuses of Laurentian at Hearst and Nipissing are included with the Hearst affiliate or Nipissing University, as appropriate, commencing 1993-94.

Appendix 1.3.4.1. Continued

Northern Ontario Grants*

Year	Lakehead	Laurentian	Algoma	Hearst	Nipissing	Total
1997-98	4,045,654	3,755,635	281,000	287,751	1,114,331	9,484,371
1998-99	4,045,654	3,755,635	281,000	287,751	1,114,331	9,484,371

* This grant encompasses both previous grants. (Northern Ontario Operations Grant and Northern Ontario Mission

APPENDIX 1.3.4.2

BILINGUALISM GRANTS ($)

Year	Ottawa	Laurentian	York	Hearst	Sudbury	St. Paul	Total
1967-68	1,080,000	155,000					1,235,000
1968-69	1,390,083	219,880					1,609,963
1969-70	1,575,323	278,653					1,853,976
1970-71	1,500,000	390,000					1,890,000
1971-72	1,500,000	450,000	100,000	18,000			2,068,000
1972-73	1,500,000	540,000	100,000	20,000			2,160,000
1973-74	1,887,000	540,000	128,000	13,600	10,700	19,300	2,598,600
1974-75	2,100,000	540,000	128,000	15,000	12,000	23,000	2,818,000
1975-76	2,310,000	600,000	140,000	20,000	25,000	25,000	3,120,000
1976-77	2,888,000	690,000	161,000	23,000	29,000	58,000	3,849,000
1977-78	3,172,000	758,000	177,000	25,000	32,000	64,000	4,228,000
1978-79	3,345,000	813,000	146,000	34,000	25,000	114,000	4,477,000
1979-80	4,657,000	1,142,000	176,000	52,000	27,000	192,000	6,246,000
1980-81	4,988,000	1,228,000	173,000	59,000	26,000	223,000	6,697,000
1981-82	5,486,000	1,356,000	173,000	68,000	25,000	264,000	7,372,000
1982-83	6,155,000	1,521,000	194,000	76,000	28,000	296,000	8,270,000
1983-84	6,885,000	1,702,000	217,000	85,000	31,000	331,000	9,251,000
1984-85	9,904,000	2,015,000	832,000	106,000	129,000	828,000	13,814,000
1985-86	10,399,000	2,116,000	874,000	111,000	135,000	869,000	14,504,000
1986-87	10,815,000	2,201,000	909,000	115,000	140,000	904,000	15,084,000
1987-88	11,248,000	2,289,000	945,000	120,000	146,000	940,000	15,688,000
1988-89	11,754,000	2,392,000	988,000	125,000	153,000	982,000	16,394,000
1989-90	14,109,000	3,651,000	1,833,000	140,000	196,000	1,465,000	21,394,000
1990-91	14,772,000	3,822,000	1,919,000	147,000	205,000	1,534,000	22,399,000
1991-92	16,960,000	4,388,000	2,203,000	168,000	235,000	1,762,000	25,716,000
1992-93	17,112,000	4,427,000	2,223,000	170,000	238,000	1,777,000	25,947,000
1993-94	15,863,000	4,104,000	2,060,000	158,000	220,000	1,648,000	24,053,000
1994-95	15,584,000	4,032,000	2,024,000	155,000	216,000	1,619,000	23,630,000
1995-96	15,381,000	3,980,000	1,998,000	153,000	213,000	1,598,000	23,323,000
1996-97	12,869,000	3,330,000	1,671,000	128,000	179,000	1,337,000	19,514,000
1997-98	16,954,658	5,698,325	2,985,836	565,543	355,471	1,468,197	28,028,030
1998-99	16,954,658	5,698,325	2,985,836	565,543	355,471	1,468,197	28,028,030

APPENDIX 1.3.4.3

DIFFERENTIATION GRANTS ($)

Year	Trent	Nipissing	Total
1981-82	1,400,000	0	1,400,000
1982-83	1,400,000	0	1,400,000
1983-84	1,500,000	0	1,500,000
1984-85	1,500,000	0	1,500,000
1985-86	1,500,000	0	1,500,000
1986-87	1,500,000	0	1,500,000
1987-88	1,500,000	0	1,500,000
1988-89	1,500,000	0	1,500,000
1989-90	1,590,000	0	1,590,000
1990-91	1,665,000	0	1,665,000
1991-92	1,773,000	0	1,773,000
1992-93	1,789,000	0	1,789,000
1993-94	1,658,000	0	1,658,000
1994-95	1,629,000	0	1,629,000
1995-96	1,608,000	0	1,608,000
1996-97	1,346,000	0	1,346,000
1997-98	1,346,000	0	1,346,000
1998-99*	1,346,000	530,000	1,876,000

* Beginning in 1998-99 Nipissing become the second recipient for the Differentiation Grant.

APPENDIX 1.3.4.4

EXTRAORDINARY GRANT TO ALGOMA COLLEGE ($)

Year	Total
1989-90	760,000
1990-91	760,000
1991-92	760,000
1992-93	760,000
1993-94	665,000
1994-95	653,000
1995-96	645,000
1996-97	540,000
1997-98	540,000
1998-99	540,000

APPENDIX 1.3.5.

RESEARCH OVERHEADS/INFRASTRUCTURE ENVELOPE ($)

Year	Total
1986-87*	15,000,000
1987-88	25,000,000
1988-89	25,125,000
1989-90	27,170,000
1990-91	28,447,000
1991-92	30,296,000
1992-93	30,569,000
1993-94	28,337,000
1994-95	27,839,000
1995-96	27,477,000
1996-97	22,990,000
1997-98	27,477,000
1998-99	27,477,000

* 1986-87 funding provided under the auspices of the University Excellence Fund program.

APPENDIX 1.3.8.

PAY EQUITY ENVELOPE $ (000)

Year	Total
1991-92	4,998.4
1992-93	14,482.5
1993-94	18,910.0
1994-95	21,549.9
1995-96	18,961.3
1996-97	18,961.3
1997-98	18,961.3
1998-99	18,961.3

APPENDIX 3.1

MEMORANDUM TO:	Executive Heads of Provincially-Assisted Universities, OCA, Algoma and Hearst Information copies to: COU, CFSO, OCUFA, COUSA, OEICC, CUEW, FOETC, OPSEU
FROM:	David Trick
DATE:	November 8, 1996
SUBJECT:	**Program Approvals Process**

I am writing further to the Minister's letter of May 29, 1996 announcing the closing of the Ontario Council on University Affairs (OCUA) and the Academic Advisory Committee (AAC). At that time, you were advised that the Ministry was reviewing the program approvals process to determine how it would be handled without the involvement of these two bodies. I am pleased to advise you that an interim process of self-administered regulation will replace the current program approvals process for the 1996-97 academic year.

The key features of the new process are:
- self-administered regulation by each university;
- a focus on new programs rather than those that are simply restructured or rationalized;
- a streamlined and standardized set of criteria to be used by universities in evaluating program proposals;
- an exemption on undergraduate core Arts and Science programs from review, as in the past;
- a simplified reporting process; and,
- final determination by the Minister on whether enrolments in new programs are approved for the purposes of funding, as is the case at present.

The Minister has accepted OCUA's recommendation to streamline and standardize the existing evaluative criteria. Group A and B undergraduate and Group C graduate programs (see a Attachment 1) will all be reviewed against the following seven criteria:

.../2

1. Certification that the program has undergone a nomenclature confirmation review by the University Senate for Group A and Group B undergraduate programs and by the Ontario Council on Graduate Studies (OCGS) for Group C graduate programs.

2. Certification of program quality by the University Senate for Group A and Group B undergraduate programs and by the Ontario Council on Graduate Studies (OCGS) for Group C graduate programs.

3. Certification by the governing body of the institution that the program can be financed by institutional resources or that the Minister has given prior approval of additional funding to cover any portion of program costs that cannot be absorbed by the institution.

4. Certification by the executive head that the program is consistent with the aims, objectives and existing strengths of the institution.

5. Certification by the executive head that there is convincing evidence of student demand.

6. Certification by the executive head that there is convincing evidence of societal need.

7. Convincing evidence that any duplicative similarities to existing programs in Ontario or Canada are justifiable for reasons of public funding.

More details regarding the information universities should consider in certifying the criteria have been met are attached (see Attachment 2).

Institutions must certify to the Ministry that the proposed new program meets criteria 1-6 (see Attachment 3). For graduate programs, certification by OCGS that the proposed new program meets criteria 1 and 2 must also be provided by the institution.

The Ministry will evaluate criterion 7. The Ministry will seek comments related to this criterion from institutions on new undergraduate program proposals.

New program developments which are products of restructuring/rationalization or based on existing programs need only be reported each Spring to the Ministry. Institutions will also be asked each Spring to report other annual program developments including program closures and mergers.

.../3

Additional information will be obtained annually by the Ministry from OCGS on the quality appraisal of new and existing graduate programs and from the Undergraduate Program Review Audit Committee (UPRAC) on the results of its audits.

All programs to be reviewed within the 1996-97 approvals cycle should be submitted on or before December 15, 1996. For those institutions who have already submitted programs, please complete the attached certification form (see Attachment 3). Program submissions and any questions should be directed to the attention of :

The Director, Universities Branch
Postsecondary Education Division
Ministry of Training Colleges and Universities and Training
9th Floor, Mowat Block
900 Bay St.
Toronto, Ontario
M7A 1L2
(416) 325-1952

In making this decision, the Minister has acknowledged with thanks the Academic Advisory Committee for its hard work and the input it provided on the revised process. I too would like to thank the members of the Committee for the important and substantial contributions they have made to the quality of academic programs at Ontario's universities.

Original signed by

David Trick
Assistant Deputy Minister
Postsecondary Education Division

APPENDIX 3.1 (ATTACHMENT 1)

PROGRAM APPROVAL CATEGORIES
Undergraduate "Core" Arts and Science, "Group A" & "Group B"; And Graduate "Group C"

"Core" Arts and Science

Programs that are in basic disciplines which might be expected to be offered at any university...(and are) appropriate to the academic ethos and character of any university.

Biological Sciences (including Biotechnology)
English Language & Literature
French Language & Literature
General Arts and Science
Humanities (including ancient and classical languages)
Mathematical Sciences & Computer Studies
Physical Sciences
Social Sciences (including Women's Studies)
Theology

Group A

Professional

Agriculture
Architecture
Dental Surgery
Dentistry
Education
- Primary - Junior
- Junior - Intermediate
- Intermediate - Senior
- Technological Studies
- French as a First Language (FFL)

Engineering
Forestry
Forest Technology
Horticulture
Journalism
Landscape Architecture
Law
Library Science
Medicine
Midwifery
Nursing
Nursing Education
Occupational Therapy, Physiotherapy and Physical Therapy
Optometry
Pharmacy
Social Work
Veterinary Medicine

Group B

Accounting, Accountancy
Actuarial Science
Agricultural Business
Area Studies
Art Education, Conservation, Art Therapy
Clothing, Textiles, Design and Fashion
Commerce
Community, Urban and Regional Planning
Criminology
Communications
Dance
Dietetics
Drama
Environmental Studies, Environmental Science
Family Studies, Family Science
Film, Cinema
Finance
Fine Art, Studio Art, Painting
Gerontology
Health Studies
Home Economics, Food Studies
Industrial, Labour Relations
Kinesiology
Labour Studies
Language and Literature Studies
Law Enforcement
Legal Studies
Linguistics
Management, Business Management
Marketing
Medical Illustration
Municipal Administration
Music
Native Studies
Personnel and Administrative Studies
Pharmacology
Physical Education
Planning
Public Administration
Public Service Studies
Recreation
Resource Management
Survey Science
Systems Design
Theatre Arts
Translation, Interpretation
Urban Studies, Urbanism
War Studies

Group C

All graduate programs

APPENDIX 3.1 (ATTACHMENT 2)

Information the University Should Consider in Certifying Criteria Have Been Met

Criteria	Institutional Check List
Program Nomenclature ("Truth-in-Advertising")	▸ the University Senate or equivalent academic body should ensure that the program name and degree designation are appropriate to program content and consistent with current usage in the discipline
Academic Quality	▸ Undergraduate: the University should ensure that the Senate or equivalent academic body has approved the undergraduate program ▸ Graduate: the University should ensure that the Dean of Graduate Studies (or equivalent) has received a letter indicating the date program passed OCGS appraisal without requiring improvements
Financial Viability	▸ the Board of Governors or equivalent body should ensure the university has in hand the requisite resources to introduce the program within existing funding levels and is prepared to maintain the program for a reasonable period of time (The approval of a program is **not** grounds for a request for additional funding from the Ministry to initiate or sustain the program) ▸ where there is an increase in the minimum length of time required to complete an existing approved degree program, the institution should be able to justify the additional costs incurred to the institution, government and the student In making these determinations, institutions should consider: ▸ the impact of the program on funding and how the institution intends to finance and staff the proposed program ▸ the additional costs (capital expenditures, additional faculty, etc), and the sources of additional funds (external grants, donations, government grants) ▸ how other programs will be affected (joint offerings, closure, rationalization, decreased in size, etc.), including how and whether or not any cost savings will be involved.
Institutional Appropriateness	▸ the university should ensure the program is related to institutional mission, academic plans, and/or departmental plans ▸ the university should ensure the program fits into the broader array of program offerings, particularly areas of teaching and research strength, collateral areas of study, etc. In making these determinations, institutions should consider: ▸ notable resources available to the program demonstrating institutional appropriateness e.g. Chairs, institutes, centres; unique library collections or resources; facilities such as computer, laboratory, other acquisitions, etc. ▸ external financial support demonstrating strength such as facility/equipment donations, other external donations, grants, etc.

APPENDIX 3.1 (ATTACHMENT 2)

Information the University Should Consider in Certifying Criteria Have Been Met

Criteria	Institutional Check List
Student Demand	▸ the University should ensure there is convincing evidence of student demand for the program In making these determinations, institutions should consider: ▸ projected enrolment levels for the first five years of operation (If the program is in operation, use actual and projected data) ▸ intended steady-state annual enrolment and steady-state total enrolment projections and the year(s) in which they will be achieved ▸ evidence of student demand through application statistics, for example: number of enquiries, applications received, number of qualified applicants, use of macro-indicator data (graduate only) ▸ origin of student demand (% domestic and visa students; graduate only - the undergraduate or master's programs from which students would be drawn) ▸ duration of the projected demand (e.g. short, medium or long-term demand from specified sources) ▸ evidence of review and comment by appropriate student organization(s)
Societal Need	▸ the University should ensure there is convincing evidence that graduates of the program are needed in specifically identified fields (academic, public and/or private sector) ▸ for professional program areas, the university should ensure congruence with current regulatory requirements of the profession In making these determinations, institutions should consider: ▸ dimensions of the societal need for graduates (e.g. socio-cultural, economic, scientific, technological) ▸ geographic scope of the societal need for graduates (e.g. local, regional, provincial, national) ▸ trends in societal need for graduates ▸ duration of the societal need (e.g. short, medium, or long-term) Examples of evidence for the above would be: ▸ letters from a variety of potential employers of graduates who have seen the curriculum and commented upon the need for graduates within their organization and, more broadly, in their field of endeavour ▸ professional society and/or association comments about the need for graduates based on a review of the curriculum ▸ employment surveys, survey of the number of positions advertised in, for example, the CAUT Bulletin, AUCC University Affairs, etc. ▸ statistics related to the number of Ontario students leaving the province to study in the same field elsewhere in Canada or abroad

APPENDIX 3.1 (ATTACHMENT 2)

Information the University Should Consider in Certifying Criteria Have Been Met

Criteria	**Institutional Check List**
Duplication	▸ the University should indicate innovative and distinguishing aspects of the program ▸ the University should provide evidence of justifiable duplication based on societal need and/or student demand in cases where there are programs in the system that are the same or similar (Comments from other institutions regarding the proposed new program will be sought by the Ministry. Comments regarding Health Science programs will also be sought from the Ministry of Health) ▸ the University should indicate why the institution is offering the program on a “stand-alone” basis rather than merging its resources with another institution in a joint program

APPENDIX 3.1 (ATTACHMENT 3)

Program Approvals Certification Form

Program Name and Degree Designation Institution

(Please attach the Program's Calendar Entry)

The university certifies that the following six criteria have been evaluated and met for the above proposed new program:

☐ The program has undergone a nomenclature confirmation review by the University Senate for Group A and B undergraduate programs and by the Ontario Council on Graduate Studies for Group C graduate programs.

☐ Senate has certified program quality for Group A and B undergraduate programs and the Ontario Council on Graduate Studies has done so for Group C graduate programs. (For graduate programs please attach a copy of OCGS approval)

☐ The governing body of the institution has certified that the program can be financed by institutional resources unless the Minister has given prior approval of additional funding to cover any portion of program costs that cannot be absorbed by the institution.

☐ The program is consistent with the aims, objectives and existing strengths of the institution.

☐ There is convincing evidence of student demand.

☐ There is convincing evidence of societal need.

The university submits the attached information as evidence that any duplicative similarities to existing programs in Ontario or Canada are justifiable for reasons of public funding.

(Signature of President)

(Date)

MTCU
Faxback

19___-___ Program Developments Report

Institution:________________ Institutional Contact:________________

Telephone Number:________________

A. New Programs

Program Name	Degree Designation	Date Effective	Additional Information

B. Rationalized / Restructured Programs

Program Name	Degree Designation	Date Effective	Additional Information (e.g. existing program based on)

C. Merged Programs / Departments

Program/Department Name	Degree Designation	Date Effective	Additional Information (e.g. existing program/department based on)

D. Closed Programs

Program Name	Degree Designation	Date Effective	Additional Information

Please faxback your response to: B.J. Mackay, Director, Universities Branch 416-325-1959

(Relevant calendar copy information should also be provided.)

APPENDIX 4.0 Enrolment Audit

The Ministry of Training, Colleges and Universities requires an audit of the enrolment data of institutions which are eligible for support under the Ontario formula for operating grants and under the program of support for church-related universities and colleges. The objective of the audit shall be to render an audit report in the prescribed form.

1. Responsibility of Auditors

Auditors are responsible for providing an opinion on institutions' enrolment reports to the Deputy Minister of Training, Colleges and Universities in keeping with the spirit of Section 5805 of the CICA Handbook--Special Reports, explaining an audit opinion on financial information other than financial statements:

AUDITOR'S REPORT

TO: THE DEPUTY MINISTER OF TRAINING, COLLEGES AND UNIVERSITIES

At the request of (*name of institution*) we have examined the attached enrolment reports totalling (*number*) basic income units and formula fees of $ (*amount*) for the academic year 19 ___/___ which have been submitted to us by the Ministry of Training, Colleges and Universities. Our examination was made in accordance with generally accepted auditing standards, and accordingly included a general review of the records and procedures by which the above enrolment reports were prepared and such tests of the records of (*name of institution*) and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the attached enrolment reports present fairly the weighted enrolment and formula fees of (*name of institution*) for 19 ___/___ for funding purposes, in accordance with instructions issued by the Ministry of Training, Colleges and Universities in the most recent edition of the "Ontario Operating Funds Distribution Manual," dated (*month*), 19 ___/___ and "Essential Notes and Reporting Instructions," dated (*month*), 19 ___/___ or through correspondence.

City ________________________ (*Signed*) __________________________
Auditor

Date ________________________

If the auditor is able to complete the audit report without qualification (because adequate assurance has been obtained from the audit work that the upper limit of errors throughout the enrolment reports does not exceed the materiality limit), it will not be necessary to disclose any known or projected errors to the Ministry; reporting requirements will, in these circumstances, be fully met by the submission of a signed audit report in the prescribed form.

If, on the other hand, based upon the results of the examination, the auditor is not able to complete the prescribed report without qualification(s) then he or she shall report these findings to the Deputy Minister of Training, Colleges and Universities explaining fully the circumstances involved, and will await further direction as to how to proceed with the examination.

It is recognized that during the course of the examination the auditor may wish to seek clarification or direction in regard to such matters as ambiguities arising from applying the categorization scheme. Clarifications and interpretations of the formula for operating grants are the responsibility of the Ministry. If, therefore, the auditor wishes to consult, or to seek clarification or direction with respect to the examination, it should be done by writing to the Director, Universities Branch, Ministry of Training, Colleges and Universities.

The auditor of each reporting institution will provide the Deputy Minister of Training, Colleges and Universities with the enrolment audit report by December 31 following the conclusion of the academic year concerned and will provide a copy of all correspondence in this connection to the President (or the equivalent) of the university or college concerned.

2. Responsibility of Institutions

Each university or college must formally advise the firm of public accountants retained by it that an audit of enrolment is a condition for payment of enrolment-related operating grants and that the required examination for this purpose has been authorized. A copy of this letter should be forwarded to the Ministry, where it will serve as authorization for direct communication with the auditors.

3. Responsibility of the Ministry of Training, Colleges and Universities

The Ministry of Training, Colleges and Universities will provide the following to the auditor of each institution:

3.1 A summary of enrolment data received from the institution. (The auditor to confirm with the president and enrolment reporting officer their acceptance of it as a correct summary).

The enrolment data submitted will have been carefully reviewed and their arithmetical accuracy proven. Changes, if any, to the data submitted will have been noted and agreed to by the reporting institution.

3.2 An updated version of the "Ontario Operating Funds Distribution Manual".

3.3 An updated version of the "Essential Notes and Reporting Instructions".

4. Guidance for Auditors

Determination of appropriate procedures and the scope of the audit necessary to support an opinion is a responsibility of the auditor. In making this determination, the procedures selected will not be limited to, but should include, the following factors traditionally considered essential to any enrolment audit:

4.1 A general review of student records and related procedures to ensure their adequacy for satisfactory completion of the enrolment reports.

4.2 A choice of either statistical sampling or judgmental testing as the audit approach most appropriate in the circumstances.

4.2.1 Item 6 of this appendix provides guidance with respect to statistical sampling techniques as applied to the audit of enrolment. The Ministry has prescribed a sampling confidence level of 95% and a materiality limit of 2% (with respect to the upper limit of net overstatements). That is, the statistical results yielded by a random sample must be such as to give the auditor at least 95% confidence that the total BIU's reported on the year's enrolment reports are not overstated by a net amount of more than 2%.

4.2.2 If, instead, judgemental testing procedures are used, the auditor should be satisfied that the audit tests of BIU records provide evidence at least equivalent to that required for an unqualified opinion where statistical sampling techniques are used.

4.3 The audit should highlight any areas of ambiguity encountered in applying the formula categorization scheme or the rules for determining eligibility for funding of programs or students and obtain a satisfactory authority reference for the manner in which the institution has dealt with situations not explicitly provided for in the "Ontario Operating Funds Distribution Manual."

4.4 The audit should include an examination of the reasons for changes between enrolment as reported and as approved by the Ministry of Training, Colleges and Universities. Procedural weaknesses should be noted so that the institution with may take appropriate action to prevent their recurrence.

4.5 The audit should satisfactorily reconcile total fees computed, using reported enrolment data and the fee schedule of the institution, with academic fees as reported in the audited financial statements.

4.6 The auditor should obtain, in the prescribed form (see item 5), a certificate from the institution's registrar, attesting that (except as noted) enrolments in all programs of study offered fall within the formula categories under which they have been included. In addition, this certificate will declare that all enrolment reported is eligible for purposes of determining grant assistance except as noted in the certificate.

4.7 Four areas requiring special audit procedures are:

- formula units at the graduate level,
- study abroad courses and programs,
- eligible international student enrolment reporting and formula fees, and
- honours student differentiation criteria (when differentiated programs do not exist).

4.7.1 Item 7.1, entitled "Counting of Graduate Students--Audit Implications" (of the methods/procedures for establishing formula entitlements at the graduate level) lists some possible audit tests applicable to formula units at the graduate level. Item 7.2 provides a sample certification of graduate student status and eligibility for formula operating grant support (to be used for "verifying" some of the less auditable criteria).

4.7.2 Item 8 summarizes the information an auditor would need in order to verify the eligibility for formula funding of a student on a study abroad course or program. Institutions are required to keep on file a completed copy of this form, signed by a dean and the registrar (or their equivalents), for every study abroad course or program offered by the institution.

4.7.3 Item 9 outlines the procedures to be used by institutions and their auditors to identify international students for purposes of applying the international student fee policy and to determine conformity of institutional practice with this policy.

4.7.4 Institutions are required to keep on file a copy (copies) of the ministry's approval of the current (and/or historical) criteria used to differentiate students as honours, for reporting purposes, when differentiated programs of study do not exist. Auditors are required to attest that these criteria have been accurately applied **within the overall materiality limits of their enrolment audit**.

Institutions should obtain **written** approval from the ministry for existing criteria, and shall thereafter obtain ministry approval for any changes to such criteria. In enrolment audit reports, the auditors shall notify the ministry of any changes to existing criteria if ministry approval has not been obtained.

4.8 External auditors are required to complete a questionnaire (Item 4.8.1, following page) concerning the procedures that they have examined in conducting their enrolment audit.

4.8.1 ANNUAL ENROLMENT AUDIT QUESTIONNAIRE

TO: THE MINISTRY OF TRAINING, COLLEGES AND UNIVERSITIES

RE: ____
(*Name of Institution*)

AND THE ENROLMENT REPORT FOR FISCAL YEAR ENDING: ______________

(TICK EITHER YES OR NO FOR EACH ITEM BELOW AND PROVIDE OTHER RESPONSES AS REQUIRED.)

1. During the course of the enrolment audit, were there any matters that you have reported, or intend to report, to the management, the audit committee, the board of governors, or governing council of your client regarding material inaccuracies or the possibility of material inaccuracies in the enrolment report?

☐ YES ☐ NO

If YES, please outline what they are:

____

____

2a. Did you submit a management letter pertaining to the enrolment audit for the year prior to the year under review?

☐ YES ☐ NO

2b. Have all the matters in the management letter pertaining to the enrolment audit been resolved to your satisfaction?

☐ YES ☐ NO

If NO, please comment:

____

____

3. Did you review the responses contained in this questionnaire with the institution?

☐ YES ☐ NO

NAME AND ADDRESS OF AUDIT FIRM:

____

____

SIGNATURE OF AUDITOR: ______________________________

NAME OF PARTNER IN CHARGE: ______________________________

LICENCE NUMBER: ______________________________
(Public Accounts Council of Ontario Licence Number)

5. Registrar's Certification

(UNIVERSITY LETTERHEAD)

Registrar's Certification in Connection with Audit of Enrolment

To: (*Name of Auditor*)
(*Institution*)

(*Session*)

Dear Sir:

In connection with your examination of the enrolment reports for (*session*) submitted to the Ministry of Training, Colleges and Universities and the records from which these have been prepared I hereby certify that to the best of my knowledge and belief:

1. That all records have been maintained in a manner consistent with the internal university procedures established for the compilation of enrolment data and that the figures shown on the enrolment reports agree with these records.

2. That there is explicit authority for inclusion of enrolments in all programs of study offered by the university within the formula categories under which they have been reported, except as noted below:

3. That all students ineligible for support under the provisions of the Ontario formula for operating grants have been excluded in determining the operating grant which has been paid.

   The numbers of such students and the programs of study in which they are enroled are as noted below:

4. That all relevant instructions and provisions applicable to the completion of the enrolment reports and the determination of the operating grants have been correctly followed.

Yours truly,

____

____
Title

To be signed by the Registrar (or such other university official as is responsible for completion of MTCU enrolment reports).

6. Statistical Sampling

Extracts from a letter dated October 18, 1972 from Clarkson, Gordon & Co. to Mr. F. J. Kidd, on the subject of the application of statistical sampling techniques to enrolment auditing follow.

6.1 Background

An auditor does not and cannot "certify to the accuracy" of figures in a financial statement (or enrolment report) first, because the accounting principles governing its preparation always require judgement in application and second, because it is usually completely impractical for the auditor to check 100% of the underlying transactions. Instead, the auditor bases his/her examination on tests guided by analyses of the figures, internal reconciliation of balances, review of internal control, and so on, and then reports, if appropriate, that "in her/his opinion" the financial statement (or enrolment report) "presents fairly" the financial position or other information required (such as the "weighted enrolment").

The words "in his/her opinion" imply that the auditor cannot provide 100% certainty but rather a reasonable degree of *confidence* as a result of the audit work. The words "present fairly" imply that the auditor cannot report that the financial statement (or enrolment report) is accurate to the cent but rather that (subject to the reasonable degree of confidence mentioned above) it is not misstated by a *material* amount. Any audit, therefore, implies a choice of *confidence* level and *materiality* limit. Such choices are made implicitly when an auditor employs judgemental testing procedures. (The auditor intuitively decides how *much* must be tested to be *reasonably sure* of detecting a *material error* if present). When an auditor employs statistical sampling procedures, however, the choice of confidence level and materiality limit (which in turn determine sample size) must be made explicit.

The Ministry has stated that for the purposes of the enrolment audit, the university auditor may employ *either* statistical sampling techniques *or* judgemental testing procedures. Where the nature of the enrolment records, however, permits the application of statistical sampling techniques, most university auditors will wish to consider such application seriously because of the benefits of greater objectivity to be derived therefrom. The following material is intended to indicate a method of applying such techniques.

6.2 Prescription of Confidence Level and Materiality Limit

The Ministry has prescribed a sampling confidence level of 95% and a materiality limit of 2% (with respect to the upper limit of net overstatements) where the university auditor employs statistical sampling procedures in arriving at an opinion on the reported "weighted enrolment."

6.3 Statistical sampling of BIUs

There are various different components of a complete enrolment audit: studying the system of internal control, reconciling reported academic fees to reported enrolment, sampling records of 'basic income units' (BIUs) to verify 'weighted enrolment' reflected in the year's enrolment reports, etc. The following material, however, addresses itself exclusively to the statistical sampling of BIU records to verify the year's enrolment reports.

What is required is a statistical sample of BIU records that will yield 95% sampling confidence that total BIUs reported on the year's enrolment reports have not been overstated by more than 2%.[4]

Since the objective of the audit test is to assess the frequency of net overstatements in total reported BIUs, the direction of the audit test must clearly be from the reported BIUs *back* to underlying enrolment records.

The first question is whether the auditor should select a random sample of students or a random sample of BIUs (in the former case every student would have an equal chance of selection while in the latter case every BIU would have an equal chance of selection). If the former method is chosen, the auditor will be able to arrive at a statistical conclusion that X% of the student records may contain BIU overstatements. The auditor will not, however, be able to convert this conclusion into a rigorous statistical conclusion with respect to total BIUs themselves.

---

[4] With respect to the specific prescribed guidelines of 95% confidence and 2% upper error limit, the Ministry prescription requires only that these be applied to net overstatements. When, however, the auditor expresses an opinion that the "enrolment reports present fairly the weighted enrolment" he/she will normally want to be satisfied in any event that there is reasonable confidence that neither a material overstatement error nor a material understatement error exists. The procedures described in this appendix should usually be adequate to give such reasonable assurance with respect to understatements as well as overstatements.

If the X% of overstated student records were or might be mostly graduate students, then total BIUs might well be overstated by far more than X% (since each graduate student overstatement might be an overstatement of several BIUs). It is possible that additional judgemental testing (particularly among graduate records) may still permit the auditor in such a case to arrive at a reasonable judgemental conclusion. Nonetheless, it is desirable, where feasible, to obtain a statistical conclusion directly relating to reported BIUs and this can be done by drawing a statistical sample of BIUs.

The first point is, therefore, that it is desirable for the auditor to draw a *random sample of BIUs*; that is, every BIU among the total reported BIUs should have an equal chance of selection in the audit sample.

Such a procedure will, for example, give somewhat more chance of selection to graduate students than to undergraduates but this is appropriate since, in terms of BIUs, each of the former has a greater potential for overstatement than each of the latter.

6.4 Mechanics of Drawing a Statistical Sample of BIUs

Pure random sampling involves making a new random draw on each selection. A far less cumbersome procedure, however, is to use 'systematic' or 'interval' sampling whereby the auditor selects every nth BIU throughout the population. This requires two things:

1. that the auditor can identify a set of BIU records (the 'population') that has been added (or will be added) and agreed (or will agree) in total to the total BIUs reported on the year's enrolment reports, and

2. that the auditor can by some method count through this population of BIUs in order to select every nth one.[5]

For example, if the total population amounts to 4,000 BIUs and the auditor has estimated that a sample of 400 BIUs would be needed (sample size determination is discussed below) then every 10th BIU throughout the entire population would be selected. The counting through the population to pick every 10th BIU may be able to be done manually (if the BIU records exist on visible accounting reports) or by computer (if the BIU records exist on computer files).

There is a risk that 'interval sampling' may contain a bias (if there is any periodicity or clustering in the pattern of errors throughout the population). For this reason, it is desirable for the auditor to use either 'randomly varying intervals' (the better method) or 'fixed intervals following several random starts'.

With the preferable method of 'randomly varying intervals' the auditor would use a stream of random intervals (obtained either from random number tables or a computer program) averaging to the desired average interval. For example, in the case above, if the auditor wishes 400 selections out of 4,000 BIUs then he or she needs to select at an average interval of 10, but the specific intervals would vary randomly above and below 10 (e.g. the auditor might count along 7 for the 1st selection point, another 15 for the 2nd, and so on). One method of obtaining varying intervals averaging to 10, for example, is to pick random numbers between 1 and 20 (twice the desired average interval), which, if enough are selected, will be bound to average to close to 10.

If, however, the auditor uses fixed intervals, he should take several random starts. One method (still using the above example) is to pick 3 random starts each between 1 and 30 at the very beginning of the population and then fixed intervals of 30 after each of these starts (producing in total a random start between 1 and 10 at the beginning of the population and then fixed intervals of 30 after each of these starts (producing in total about 400 selections). Another method is to pick a random start between 1 and 10 at the beginning of each third (or smaller division) of the population followed by fixed intervals of 10 thereafter throughout that division of the population. These methods are generally considered acceptable but the method of varying intervals described in the previous paragraph is to be preferred.

6.5 Evaluation of a Statistical Sample of BIUs

---

[5] The mechanics of selecting every nth BIU are complicated if the BIU weights are applied manually at a summary level and are not readily available at a detail level. In some cases, this problem can be solved by stratifying the population into groups, students within each group having identical BIU weights. In a computerized system, however, these problems are not as great.

The evaluation of statistical samples will now be discussed and, following that, the planning of required sample size.

Suppose, temporarily, that a university consisted solely of students having 1 BIU each and that the only errors discovered by the auditor were instances where the student should not have been included at all (i.e. each discovered error represented a 1 BIU overstatement).

Statistical attribute sampling tables for 95% confidence (the confidence level prescribed by the Ministry) indicate the following:

For 95% confidence,[6]

Number of Errors Found In Sample	'Upper Error Limit Factor'
0	3.00
1	4.75
2	6.30
3	7.76
4	9.16
•	•
•	•
•	•

where:

$$\text{'upper error limit' frequency} = \frac{\text{'upper error limit' factor}}{\text{sample size}}$$

For example,

if 0 errors were found in a sample of 100,

$$\text{U.E.L.} = \frac{3.00}{100} = 3.00\%$$

if 1 error was found in a sample of 100,

$$\text{U.E.L.} = \frac{4.75}{100} = 4.75\%$$

if 3 errors were found in a sample of 400,

$$\text{U.E.L.} = \frac{7.76}{400} = 1.94\%$$

6.6. Evaluation for Varying Error Sizes

In practice, of course, a university does not consist solely of students having 1 BIU each but rather some having 1, some 4, some 2.5, etc. Suppose that, in drawing the statistical sample of BIUs, one particular BIU selected happens to fall within a student enrolment record for 4 BIUs. Of course, the auditor cannot verify merely the 1 BIU selected but rather must verify the whole student enrolment record of 4 BIUs. If this whole student record proves to be correct, then obviously the selected BIU therein must be correct too (and accordingly no sample error should be scored for this item).

---

[6] This table is based on Poisson tables, and represents a slightly conservative (i.e., safe) approximation to Binomial tables (the rigorous values for attribute sampling from large populations). Additional conservatism arises when these values are used for very small populations (e.g., when 20% of the population has been covered in the sample) but the amount of this additional conservatism (from ignoring the "finite population correction factor") is slight. In any case, since both the above approximations are conservative, the values are safe for the auditor to use (i.e., if anything they will yield conclusions slightly more pessimistic than those the auditor is really entitled to as a result of sampling).

On the other hand, if the whole student record proves to be fictitious then obviously the selected BIU therein is 100% fictitious too (and accordingly a sample error of *one* 100% fictitious BIU should be scored). If all selected BIUs turned out to be completely right or completely wrong then the table values above could always be used to project the 'upper error limit' of completely fictitious BIUs throughout the population (and this would represent the 'upper error limit' of overstatement in total reported BIUs).

However, in the above example, the auditor may find that the student enrolment record of 4 BIUs should properly have been recorded as 2 BIUs. In this case, the student enrolment record has been overstated by 50% of its reported value. It is logical then to consider each of the 4 reported BIUs (including the one selected BIU therein) as being "tainted" by a 50% overstatement error. In such a case, then, a sample error of *one* 50% overstated BIU should be scored.

6.7 Tainting Percentages Under 100%

How is such a 50% overstated BIU discovered as the only error, say, in a sample of 100 to be projected? Referring to the previous table, a sample of 100 containing 0 errors had a UEL of 3.00% while a sample of 100 containing 1 error had a UEL of 4.75%. It follows, in a sample of 100 containing no 100% errors and one 50% error, that 100% errors (0 found in sample) have a UEL of 3.00%, while 100% and 50% errors together (1 found in sample) have a UEL of 4.75%. It can be readily shown that the most conservative way of combining these two rigorous statistical conclusions is to attribute a 3.00% possible frequency to 100% errors and the remaining 1.75% possible frequency to 50% errors.

The net UEL would therefore be computed as follows:

Errors Found	Tainting 100%	UEL Incremental Factor	Product	Sample Size	Net UEL
0	100% x	3.00	= 3.00		
1st	50% x	1.75	= 0.88		
		4.75			
			3.88	÷ 100	= 3.88%

To permit such computation to be done when several different errors are found, a table of UEL incremental factors is desirable as follows:

For 95% confidence,[7]

Errors found in sample, ranked in declining tainting percentage	'Upper error limit' incremental factor
0	3.00
1st	1.75
2nd	1.55
3rd	1.46
4th	1.40
5th	1.36
6th	1.33
7th	1.30
8th	1.29
9th	1.27
10th	1.26
11th	1.24
12th	1.24
13th	1.22
14th	1.22
15th	1.21

where:

$$\text{'upper error limit' frequency value} = \frac{1}{\text{sample size}} \times (3.00 \times 100\% + 1.75 \times \text{tainting \% for 1st error} + 1.55 \times \text{tainting \% for 2nd error} + \text{etc.})$$

and where:

$$\text{tainting \% of an error} = \frac{\text{amount of error (in BIUs)}}{\text{reported BIUs for that student record}}$$

For conservatism, it is necessary to rank the errors in order of declining tainting % (as indicated above) since the UEL incremental factors are larger for the early errors. Note that the zero line is always scored at 3.00 x 100% since, even if no 100% errors are found in the sample, overstatement errors as large as 100% each (though no larger) could exist in the population.

6.8 Offsetting Overstatements and Understatements

---

[7] This table represents merely the increments between successive values shown in the previous table. The derivation of the values is subject to the same technical note as Footnote 3.

The above method of evaluation by ranking tainting percentages is supported by Dr. Albert Teitlebaum of McGill University and also corresponds (except for differences in terminology) with that outlined in Chapter V of the Research Study, "Statistical Sampling in a Audit Context", published in March 1972 by the Canadian Institute of Chartered Accountants. It is possible to eliminate some of the conservatism inherent in this method by the use of a computer program, but such a refinement is usually not significant enough to be worthwhile.

The above procedures should be applied solely to errors of overstatement discovered in the audit sample. The logic is that individual errors of understatement cannot possibly aggravate any total overstatement and therefore in projecting individual errors of overstatement it is perfectly safe for the auditor simply to ignore any individual errors of understatement. If the gross UEL overstatements projected on the foregoing basis amounts to 2% or less then the auditor is in a position to give an unqualified opinion without consideration of the possible offsetting effect of any understatements.

Cases may arise, however, where the gross UEL of overstatements exceeds the 2% limit and yet it is most unlikely that the net overstatement could be this high because of the offsetting effect of understatement errors. I can be shown statistically that it is proper to deduct from the gross UEL of overstatement errors the MLE ('most likely error' rate) of understatement errors.[8]

The 'most likely error' of understatement (to be deducted above) is equal to the sum of the tainting percentages of individual understatement errors discovered in the audit sample divided by the sample size.

6.9 Summary of Evaluation Procedure

The above procedures can be summarized as follows:

6.9.1

After the BIU selection points have been identified throughout the population of reported BIUs, verify the student record in which selected BIU falls.

6.9.2

For each selected BIU determine a tainting % as follows:

$$\text{tainting } \% = \frac{\text{amount of error (in BIUs)}}{\text{reported BIUs for that student record}} \times 100\ \%$$

6.9.3

Rank the overstatement errors in order of declining tainting % and compute the gross UEL of overstatements as follows:

$$\begin{aligned}\text{Gross UEL of overstatements} &= \frac{1}{\text{sample size}} \\ &\times (3.00 \times 100\ \% \\ &\quad + 1.75 \times \text{tainting } \% \text{ for 1st error} \\ &\quad + 1.55 \times \text{tainting } \% \text{ for 2nd error} \\ &\quad + \text{etc.})\end{aligned}$$

using the previous table.

6.9.4

Compute the most likely error of understatement as follows:

---

[8] For 95% confidence, this statement is rigorous for populations consisting of up to 3.6% overstatements offset by 1.6% understatements. Even for 6% overstatements offset by 4% understatements, the slight inaccuracy of the statement is not large enough to be of material consequence. Auditors should, however, avoid using the offsetting benefit of understatements when gross projected errors in both directions are each several times the 2% materiality limit.

- $\text{MLE of understatement} = \frac{1}{\text{sample size}} \times (\text{tainting \% for 1st error} + \text{tainting \% for 2nd error} + \text{etc.})$

6.9.5

Compute upper error limit of net overstatement as follows:

Net UEL of overstatements = gross UEL of overstatements - MLE of understatements

6.9.6

Compare the net upper error limit of overstatements to the 2% materiality limit prescribed by the Ministry.

6.9.7

If the net UEL of overstatement is 2% or less, the auditor is in a position to give an unqualified opinion as far as this portion of the audit is concerned (although, of course, the results of other audit work such as the review of internal control, the reconciliation of academic fees, etc., must be assessed judgementally as well).

6.9.8

If, on the other hand, the net UEL of overstatement exceeds 2%, the auditor is not in a position to give an unqualified opinion. He should then consider the desirability of extending his sample size (this is discussed below). If, however, it seems clear that no amount of sample extension will lead to an unqualified opinion then he must report his findings to the Ministry.

6.10 Suggested Audit Working Paper

The audit working paper form (shown on the following page) can be used to record the statistical evaluation according to the foregoing procedures and contains an example to illustrate its use. In the example illustrated, the auditor discovered four overstatement errors and two understatement errors in the sample of 300 BIUs. The 'most likely' errors are 0.83% overstatements and 0.50% understatements, for a net 'most likely error' of 0.33% overstatements. The university records are *probably* overstated by only this small 0.33% rate. However, they *might*, subject to 95% confidence, be overstated by a net amount of as much as 1.83% (the net UEL of overstatement). Since this net UEL does not exceed the prescribed materiality limit of 2%, the auditor (subject to the completion and assessment of the other audit work: internal control review, academic fee reconciliation, etc.) is in a position to give an unqualified opinion. Had the net UEL, on the other hand, exceeded the 2% limit, the auditor would have had to consider the possibility of sample extension (discussed below).

6.11 Sample Extension

Suppose that in the foregoing example the auditor's sample of 300 had instead contained three 100% overstatement errors and no understatement errors. The statistical evaluation in this case would have worked out to the following:

$$\text{MLE of overstatement} : \frac{300\,\%}{300} = 1\,\%$$

$$\text{ULE of overstatement} : \frac{7.76}{300} = 2.59\,\%$$

Here the situation is that while the overstatement of reported BIUs is *probably* only 1% (which would be acceptable) it *might*, subject to 95% confidence, be as high as 2.59% (which is unacceptable). Based on the audit work done to date the auditor is *not* in a position to give an unqualified opinion. On the other hand, there is a reasonable indication that the population error is not material (i.e. not as high as 2%) and that a larger sample size will be able to prove this. In such a situation the auditor should extend the sample size by drawing additional items from the population.

6.10.1 ILLUSTRATION OF ENROLMENT AUDIT WORKING PAPER TO EVALUATE STATISTICAL SAMPLE OF BASIC INCOME UNITS (BIUs)

Identification No. of Student Found to Contain BIU Errors	BIU As Reported	BIU Should Be	Amount Understated	Amount Overstated	Understatement Tainting % D/B * 100	Overstatement Tainting % E/B * 100	Rank of Overstatement Error (G) (In Declining Tainting %)	UEL Incremental Factor for This Rank of Error (per below)	Tainting % * UEL Incremental Factor (G * I)
A	B	C	D	E	F	G	H	I	J
-	-	-	-	-	-	-	0	3.00	3.00
A423	4	3	-	1	-	25%	4	1.40	0.35
F218	2	3	1	-	50%	-	-	-	-
L106	1	0	-	1	-	100%	1	1.75	1.75
M247	3	1.5	-	1.5	-	50%	3	1.46	0.73
R351	1	2	1	-	100%	-	-	-	-
S067	4	1	-	3	-	75%	2	1.55	1.16
				Totals	150%	250%			6.99

Factors for 95% Confidence	
Errors in Sample (Ranked in Declining Tainting %)	'Upper Error Limit' Incremental Factor
0	3.00
1st	1.75
2nd	1.55
3rd	1.46
4th	1.40
5th	1.36
6th	1.33
7th	1.30
8th	1.29
9th	1.27
10th	1.26
11th	1.24
12th	1.24
13th	1.22
14th	1.22
15th	1.21

	+	+		+
	300	300	←– SAMPLE SIZE–→	300
	=	=		=
	↓ Under	↓ Over		↓
'Most likely error' MLE	0.50%	0.83%	Gross UEL of Overstatement:	2.33%
	↳	0.50%	–→less MLE of Understatement:	0.50%
Net MLE of overstatement:		0.33%	Net UEL of Overstatement:	1.83%
			compare to:*	↕
			Prescribed materiality limit	2.00%

*If net UEL of overstatement exceeds the materiality limit, the auditor must either:
(a) extend sample size and re-evaluate, or
(b) report why unqualified opinion is impossible.

Suppose the auditor draws an additional 300 BIUs and finds a further three 100% overstatement errors therein (the same error frequency as in the initial sample). The auditor now has a total sample of 600 BIUs containing six 100% overstatement errors. It is appropriate to evaluate this expanded sample of 600 in exactly the same way as already described. The statistical evaluation of the 600 sample would work out to the following:

$$\textit{MLE of overstatement} : \frac{600\%}{600} = 1\%$$

$$\textit{UEL of overstatement} : \frac{11.85}{600} = 1.98\%$$

It might be noted that the MLE of 1% has not changed but the UEL has been reduced from 2.59% to 1.98% and is now acceptable (as being less than the prescribed 2% materiality limit). Based on the expanded audit work now completed, the auditor *is* in a position to give an unqualified opinion (always subject to completion and assessment of other audit work: internal control review, academic fee reconciliation, etc.).

In general, extending the sample size should not be counted on to change the MLE (though in any particular case it may in fact change it either up or down) but it can be counted on to reduce the precision gap between the MLE and the UEL, and thus usually to reduce the UEL. A greater amount of audit work permits a more precise answer and so the precision gap between the MLE and the UEL is narrowed.

The UEL will of course always exceed the MLE (there will always be some precision gap however large the sample size). Therefore, if in the auditor's preliminary sample of 300 he/she had discovered seven 100% overstatement errors--for a MLE of 2.3% and a UEL of 4.4%--there is no point in the auditor extending the sample size. The MLE projected from any extended sample is likely to remain in the neighbourhood of 2.3% and the UEL will be even higher than this. There is, therefore, little prospect of bringing the UEL down to 2% and thereby obtaining an acceptable conclusion. Indeed, if the initial work indicates that a material error (over 2%) *probably does exist* and it is unlikely that extended work will provide 95% confidence that a 2% error does not exist, the auditor should not extend the sample but proceed immediately to report to the Ministry.

6.12 Guide as to Sample Extension

The following table can be used as a guide in deciding to what extent an initial sample should be extended (if any extension is appropriate at all).

For 95% confidence:[9]

Sample Size	Number of 100% overstatement errors found in sample (assuming no understatement errors found)	MLE(=sample error rate)	UEL
150	0	0.00%	2%
240	1	0.42	2
320	2	0.64	2
390	3	0.78	2
460	4	0.88	2
520	5	0.94	2
590	6	1.02	2
660	7	1.06	2
720	8	1.10	2
790	9	1.14	2
850	10	1.18	2

To use the previous example, if the auditor had found a 1% sample error rate in an initial sample of 300 (say, three 100% errors), it would be reasonable to extend the sample size to 590 (or about 600) since the above table shows that if the 1% sample error rate continues the same when one extends the sample (which is the most likely event) then a sample of 590 is needed before a sample error rate as high as 1% yields a UEL of the desired 2%.

---

[9] This table is constructed from the previous tables to show what sample size and error combinations yield a 2% UEL.

Technically, the values shown are only rigorous for one-stage samples. Where a one-stage sample of 590 is found to contain 6 errors there is 95% confidence with respect to a 2% UEL. Where a sample of 590 however, is drawn in two stages (say, 240 first plus a further 350 later) with a possibility of stopping at the end of the first stage (in this case if only 1 error has been found in the first 240), it can be shown statistically that there is a slight fall-off in confidence level (in the range of a few percentage points). That is, if 6 errors are found in total in the two-stage sample of 590, there is not quite 95% confidence with respect to a 2% UEL as indicated above. However, it can be shown that in the range of sample extensions likely to be employed by auditors, such fall-off is slight. Considering the judgemental nature of a choice of 95% confidence in the first place, and the complexities of the statistical refinements necessary to obtain a perfectly rigorous answer, this slight statistical inaccuracy should not be considered of significance.

The above table can only, however, be an approximate guide because:

(a) the table is only in terms of 100% errors

- this gives the worst situation
- the situation is not as bad if an equivalent value of smaller errors is found instead
- for example, in a sample of 100, one 100% error yields an MLE of 1% and a UEL of 4.75%; however, two 50% errors yield an MLE of 1%, but a UEL of only 4.65%.

(b) the table is only in terms of overstatement errors

- the situation is slightly worse if the equivalent net value of sample errors is made up instead of offsetting overstatements and understatements
- for example, in a sample of 100, one 1% overstatement sample error frequency yields a UEL of 4.75%; however, a net 1% overstatement sample error frequency made up of 2% overstatements offset by 1% understatements yields a net UEL of 5.30%.

Nonetheless, use of this table will give a general indication of the extent to which the sample size should probably be increased. Of course, if the sample error rate found in the initial sample is, say 1.6%, it may be uneconomical to increase the sample (since a total sample of well over 1,000 items would be required) and a report under Item 1, paragraph 3 may be preferable.

Note that when a sample is extended, the results of the initial sample must not be discarded but rather incorporated into the total cumulative sample. The cumulative sample (initial stage plus extension) must then be re-evaluated using the same procedures as outlined previously.

If a sample is extended from, say 400 to 600, it is also important that the additional 200 selection points be drawn randomly out of the whole population. The mechanics of drawing the additional 200 items are the same as for the first 400 (except of course, a different average sampling interval is involved). In fact, if there appears to be a reasonable possibility that sample extension may be required, the full 600 points can be identified in the first place (to avoid the need to go back and count through the population of BIUs a second time). In such a case, the initial sample of 400 would be randomly selected out of the 600 identified selection points (perhaps by omitting every third one), the initial sample of 400 verified, and the additional 200 selection points only examined should the initial sample of 400 prove unacceptable.

6.13 Planning the Initial Sample Size

The same table presented above as a guide for sample extension can also be used for planning the initial sample size. Referring to this table, it is clear that the initial sample must be no less that 150 items (since a sample of 150 items barely yields a 2% UEL if *no* sample errors are found). It would, however, generally be imprudent to choose an initial sample size as low as 150 since at this size the discovery of even one error, however small, will render the conclusions unacceptable and necessitate sample extension.

Previous years' audit results will obviously be the best guide. For example, if past sample error rates have varied between 0 and 0.6%, a sample size of about 300 would seem a prudent choice. Of course, there is always the chance that the current year results may turn out worse and the 300 prove inadequate. In such a case, however, the auditor can proceed to extend the sample size (rather than examining an excessive sample size to start with).

It should be stressed that while estimating the required sample size is always an uncertain business (involving, as it does, the anticipation of what sample error rate may be encountered), this uncertainty does not attach to the final statistical evaluation. Once a sample has been chosen, verified, and the sample error rate determined, an objective statistical conclusion can be drawn based on the evaluation procedures described earlier.

6.14 Summary of BIU Statistical Sampling Steps

The above procedures for conducting a statistical sample of BIU records can be summarized as follows:

6.14.1

Based on prior years' observed error frequencies (or any indications of the current year's frequency) choose an adequate sample size (greater than 150) by reference to the sample extension guide.

For example, if prior years' observed error frequencies have been in the range of 0 to 0.6%, an initial sample size of about 300 would usually be a prudent choice.

6.14.2

If there is a reasonable possibility that subsequent sample extension might prove necessary, choose (by reference to the guide) a gross sample size larger than in 6.14.1 above. Determine all the gross sample selection points by counting through the BIU population, either manually or by computer (see above discussion on sampling mechanics). Select the initial sample (6.14.1) out of the gross sample selection points (e.g. by selecting every other one, or every third, etc.).

6.14.3

Verify the initial sample and determine the tainting percentages of any individual errors of overstatement or understatement discovered therein.

6.14.4

Compute the statistical conclusion arising from the initial sample results by completing the audit working paper (referenced in item 6.10). Compare the net 'upper error limit' of overstatement to the prescribed 2% materiality limit.

6.14.5

If the net UEL of overstatement does not exceed 2%, the auditor is in a position to give an unqualified opinion (subject to the completion and assessment of other audit work: internal control review, academic fee reconciliation, etc.).

6.14.6

If the net UEL of overstatement exceeds 2%, but the net MLE of overstatement is significantly less than 2% (say, not much in excess of 1%) then there is every indication that an acceptable conclusion will be able to be reached through sample extension. Based on the sample error rate observed in the initial sample, and by reference to the sample extension guide, choose the extended sample size likely to be required.

6.14.7

Select additional sample items randomly (either from the population directly or from the additional gross sample selection points already held in reserve in 6.14.2) to increase the cumulative sample size up to the extended size chosen in 6.14.6. Verify these additional sample items. Re-evaluate the whole extended sample by re-completing the audit working paper. Compare the new net 'upper error limit' of overstatement to the prescribed 2% materiality limit. The process of sample extension can be continued in this manner until an acceptable conclusion is reached or until it becomes evident that no acceptable conclusion is possible.

6.14.8

Where the MLE of overstatement (of either the initial or extended sample) exceeds 2% or where it is only slightly under 2% (e.g., 1.6%, 1.8%, etc.) it is unlikely that any acceptable conclusion will be able to be reached through sample extension (or further sample extension). The auditor should therefore report her/his findings in such a case to the Ministry as called for in item 1, paragraph 3.

6.15 Investigation of the Nature of Errors Discovered

This appendix has been directed exclusively to the drawing of a statistical conclusion based on the frequency of errors observed in a sample of BIUs. None of the statistical work should, however, limit the auditor from evaluating judgemental any other evidence available from his/her audit work. In particular, it is desirable that the auditor investigate the *nature* of any errors discovered in the audit sample. If any errors discovered in the sample appear to be *systematic* in nature, the auditor may well wish to perform additional judgemental audit steps to assess the likely extent of such systematic errors, over and above the statistical sample projections of upper error limits.

6.16 Combination with Other Audit Conclusions

The statistical projections described in this appendix relate to the projection of a possible error frequency among the population of BIU records and the comparison of this upper error limit with the 2% materiality guideline. Of course, if other known errors are discovered outside the BIU records being subjected to sampling, the effect of these known errors should be added to the statistical 'upper error limits' and the total compared to the 2% materiality guideline. For example, if an overstating addition error of 0.5% was discovered in the summarization of the total BIU figure reported on the enrolment reports and, on top of this, the statistical upper error limit for overstatements among the individual BIU records was 1.9%, the total combined 'upper error limit' would be 2.4% (and hence unacceptable without further work).

6.17 Other Considerations

A number of other considerations may well arise in the conduct of any particular enrolment audit. For example, in some universities the net 'weighted enrolment' is reduced by certain cost-sharing percentages related to affiliated colleges. These cost-sharing percentages are themselves subject to audit and such audit may likewise be performed using statistical sampling procedures. In the latter case, it is desirable that the statistical conclusions regarding the gross reported BIU's and the statistical conclusions regarding the cost-sharing percentages be combined before comparison with the prescribed 2% materiality limit.

A discussion of this and other considerations is, however, beyond the scope of this appendix. The auditor who has had some training in statistical sampling techniques will be able to resolve such matters when they are encountered.

7.1 COUNTING OF GRADUATE STUDENTS: EXAMPLES SHOWING AUDIT IMPLICATIONS

Section	Evidence Required	Possible Audit Test Procedures
4.2.5.2(b)	Program of studies meets requirements of O.C.G.S. appraisals procedure	Where applicable, examine evidence of successful program appraisal
4.2.5.2(d)	No units have been claimed for students who are registered but inactive	Obtain certificate (see form, item 7.2, next page)
4.5.1 (1)	Student has an honours undergraduate degree or equivalent	Examine transcript or other documentary evidence
4.5.1 (2)	Student is making substantial demands on resources of the university	Obtain certificate (see form, item 7.2, next page)
4.5.2 (2)	Student identifies him/herself as a full-time graduate student	This should be verified by reference to student records (statement of intent, etc.)
4.5.2 (4)	Student claimed as full-time geographically available and visits campus regularly	" " " " " "
4.5.5	Minima and maxima provisions have been adhered to	(a) Examine, on a test basis, units claimed during the academic year under these provisions (b) Assess the adequacy of records and procedures for the correct determination of these claims
General	Adequate records and procedures have been established for the counting of graduate students for entitlement purposes	Review of internal control

7.2 COUNTING OF GRADUATE STUDENTS - CERTIFICATION (SAMPLE)

CERTIFICATION OF GRADUATE STUDENT STATUS AND ELIGIBILITY FOR FORMULA OPERATING GRANT SUPPORT

To: ______________________________________
(*Name of Auditors*)

Term of 19___ 19___ Session ____________

Name of Student: ____

Claimed for Support: ______________ Program of Study: ______________ ___

Status reported: ☐ Full-time ☐ Part-time

		Yes	No
(i)	This student made substantial demands upon the resources of the university (see Section 4.5.1(2)), i.e., either the student was registered in a regular course of study or was actively engaged in writing a dissertation under continuing supervision.	☐	☐
(ii)	For students accorded full-time status (Section 4.5.2):		
	(a) Apart from approved absence (see item b) was student geographically available and did he or she visit the campus regularly?	☐	☐
	(b) If the student was absent from the university for a period exceeding four weeks, was such absence approved as required?	☐	☐

8. STUDY ABROAD PROGRAMS AND COURSES

(To be submitted for audit purposes by responsible Deans to Registrar)

1. University offering program/course ____
Fiscal Year ____________________

2. Name of program/course ____

3. Category:
☐ Study abroad program
☐ Study abroad course
☐ Exchange program (under formal agreement)

4. When recognized by Senate for credit? ________ Ref: ____________________

5. Designed as an integral part of what degree program?

6. Program level (year of study):

7. Length of program/course (in weeks): _____ From ______________ To ______________

8. What is the duration of the program/course in student contact hours?

Is this at least equal to the contact hours for comparable programs/courses (specified below) offered on campus in Ontario during the same sessions? ☐ Yes ☐ No

9. Courses offered abroad: ____
(Course Name) *(Number)*

10. Location offered (country/city):

11. In what year was this program/course started?

12. If started before 1981, was MTCU approval for formula funding obtained?

13. Briefly explain why a foreign locale is essential for this program/course.

14. If this is an exchange program under the terms of a formal exchange agreement give:

(a) Name and date of agreement:

(b) A brief description of its terms:

(c) Name of (each) other participating university:

(d) Number of foreign students in Canada on this exchange (append list of their names)

(e) Number of students from your university abroad on this exchange (append list of their names)

(f) Number of FTE's claimed for formula grants

(g) Number of BIU's claimed for formula grants

8. STUDY ABROAD (Continued)

15. If this is not an exchange program give:

(a) Number of Ontario students enrolled in this study abroad program or course who have registered in Ontario at university (*append list of their names*).

(b) Have all of the above:

(i) enroled for credit in degree programs described in their Ontario university's official calendar?
☐ Yes ☐ No

(ii) been assessed the regular academic fee for their study abroad program/course?
☐ Yes ☐ No

(iii) received instruction abroad paid for by their Ontario university?
☐ Yes ☐ No

(iv) together generated no more formula income for their Ontario university than twice its direct costs?
☐ Yes ☐ No

(Exclude from grant claim any students with "no" answers, noting which they are on appended list).

(c) Number of FTE's claimed for formula grants

(d) Number of BIU's claimed for formula grants

(e) 50% of (BIU's x current BIU value of $ _______) =

(f) Man-years of teaching given (based on an Ontario faculty member's normal annual load) by:

(i) Ontario university's regular faculty

(ii) Other faculty specifically retained by Ontario university for program/course

(g) Direct costs of program/course (formula-eligible expenditures only):

Teaching (attributable salaries & benefits ____________
Other instructional costs ____________
Physical facilities ____________
Supplies and equipment ____________
Other (specify) __________
Total (equal to 15(e) or greater) ____________

____________________	____________	____________	____________
Signature (*Responsible Dean, or equivalent*)	Date	Reporting Officer	Date

9. Procedures To Be Used in Connection with International Student Tuition Fees

Section 5.1.3 provides a description of the policy regarding the application of international student tuition fees. Effective 1996-97, government funding for the majority of international students was discontinued and tuition fees were deregulated. Grandparenting provisions apply to international students enrolled in 1995-96. These provisions are outlined in Section 5.1.3. In addition, certain categories of international students, outlined in Section 4.1.3, may qualify as eligible for government funding purposes and these students should be charged a maximum of the domestic fee rate.

With regard to grandparented international students and international students who are claimed as eligible for government funding under Section 4.1.3, institutions are expected to have documented procedures in place and implemented that will substantiate the student's grandparented or eligible funding status. These procedures are to be made available to the institution's external auditors. The auditor's reporting in respect of these international students must:

- verify that tuition fees have been charged and students reported appropriately; and
- reference and attach a copy of the procedures, provide concurrence (or otherwise) as to the acceptability of the procedures, state whether examination was made in accordance with generally accepted auditing standards and accordingly, include such tests and other procedures as considered necessary in the circumstances and express an opinion as to whether or not the institution has complied with the referenced procedures.

APPENDIX 5.1.1

ONTARIO UNIVERSITY STANDARD FEE SCHEDULE
1997-98/1998-99 - REGULAR FEES

UNDERGRADUATE (TWO TERM FEE)

Group 1:	Standard Fee: $1,575
Technology (Lakehead)(a)	

Groups 2 & 3:(b)	Discontinued

Group 4:	Standard Fee: $2,034
Dental Hygiene (Technology) Nursing Technology	

Group 5:	Standard Fee: $2,386
Agriculture Arts & Science (Toronto) Arts & Science (1st Year, Trent) Arts, General & 1st Year Honours Arts, Upper Years Honours Commerce & Business Administration: **Additional Cost Recovery Prog -'98/99 (2nd Entry)** Conversion Engineering (Lakehead) Diploma Public Health Nursing Education Environmental Studies Fine & Applied Arts Forestry Household & Food Science Journalism Law **(Additional Cost Recovery Program - 1998-99)** Library Science Music Nursing Ontario College of Art and Design Programs (Formerly Group 3) Pharmacy **(Additional Cost Recovery Program - 1998-99)** Physical & Health Education Physio & Occupational Therapy Preliminary Year Pre-medicine Secretarial Science Science General & 1st year Honours Science, Upper years Honours Social Work, 1st year Social Work, Upper years Theology Veterinary Medicine **(Additional Cost Recovery Program - 1998-99)**	

continued...

APPENDIX 5.1.1 (CONTINUED)

ONTARIO UNIVERSITY STANDARD FEE SCHEDULE
1997-98/1998-99 - REGULAR FEES

UNDERGRADUATE (TWO TERM FEE)

Group 6:(c)	Standard Fee: $2,591
Architecture Engineering Landscape Architecture Industrial Design Optometry **(Additional Cost Recovery Program - 1998-99)**	

Group 7:(d)	Standard Fee: $3,035
Dentistry **(Additional Cost Recovery Program - 1998-99)** Medicine **(Additional Cost Recovery Program - 1998-99)**	

GRADUATE (ONE TERM FEE)

All Programs	Standard Fee: $1,198

(a) Not all standard fees for institution-specific programs are listed. Please refer to the *"Essential Notes and Reporting Instructions"*, produced by the ministry, for a detailed breakdown of institution-specific standard fees.

(b) Group 2 (Ryerson-specific fee category) and Group 3 (OCAD-specific fee category) have been discontinued.

(c) Group 6 fees apply to all programs in the group, with the exception of the Optometry program at Waterloo, for which an additional $1,000 may be charged on top of the standard fee including the discretionary component.

(d) Standard fees are applied to Group 7 programs, except for the residency years of Oral Surgery and Oral Pathology and Medical Interns and Residents, to which a zero standard fee applies.

APPENDIX 5.1.2.2

ONTARIO UNIVERSITY REGULAR (DOMESTIC) TUITION FEE RATES (STANDARD AND TOTAL INCLUDING DISCRETIONARY COMPONENT)

Fee Category[1]	1997-98			1998-99[5]		
	Standard Fee	With Average Discretion of 35.3%	With Maximum Discretion of 59.6%	Standard Fee	With Average Discretion of 48.83%	With Maximum Discretion of 75.56%
Undergraduate (Two Term Fee)						
Group 1: Technology (Lakehead)	$1,575	$2,131	$2,514	$1,575	$2,344	$2,765
Group 4: Dental Hygiene Tech. Nursing Technology	$2,034	$2,752	$3,246	$2,034	$3,027	$3,571
Group 5: Arts Science, etc.	$2,386	$3,228	$3,808	$2,386	$3,551	$4,189
Group 6:[2] Architecture Engineering, etc.	$2,591	$3,506	$4,135	$2,591	$3,856	$4,549
Group 7:[3] Dentistry[4] Medicine	$3,035	$4,106	$4,844	$3,035	$4,517	$5,328
Graduate (One Term Fee)						
All Programs	$1,198	$1,621	$1,912	$1,198	$1,783	$2,103

1. Group 2 (Ryerson-specific fee category) and Group 3 (OCAD-specific fee category) have been discontinued. Also, see Appendix 5.1.1 for a more detailed breakdown of programs within each fee category.

2. Group 6 fees apply to all programs in the group, with the exception of the Optometry program at Waterloo, for which an additional $1,000 may be charged on top of the standard fee including the discretionary component.

3. Medical Residents and Oral Surgery/Pathology students pay no fees.

4. For their Doctor of Dental Surgery program, Toronto and Western were permitted to increase the standard fee including the discretionary component by an additional amount of up to $4,000, beginning with students entering September,1996.

5. In 1998-99 the following programs were eligible for addition cost recovery: Business/Commerce (2nd Entry), Dentistry, Law, Medicine, Optometry, Pharmacy and Veterinary Medicine.

APPENDIX 5.2

PART A

CERTIFICATION OF COMPULSORY ANCILLARY FEES CHARGED TO STUDENTS

(UNIVERSITY LETTERHEAD)

To: The Director
Universities Branch
Ministry of Training, Colleges and Universities
9th Floor, Mowat Block
Queen's Park, Toronto
M7A 1L2

This is to certify that $_______ was collected during the academic year 19__/19__ from students registered at *(name of institution)* in the form of compulsory ancillary fees. All these fees are non-tuition-related **compulsory ancillary fees**, as defined in Section 5.2 of *The Ontario Operating Funds Distribution Manual*, with the exception of the fees outlined below:

We understand that any revenue collected for tuition-related compulsory ancillary fees or for compulsory non-tuition-related ancillary fees which contravenes the provisions of Section 5.2 in *The Operating Funds Distribution Manual* will be deducted from the operating grant to *(name of institution)*.

____
Executive Head
(Name of Institution)

____
Chairperson, Board of Governors
(Name of Institution)

APPENDIX 5.2

PART B - SECTION I
REQUIREMENTS FOR PROTOCOLS - COMPULSORY NON-TUITION-RELATED ANCILLARY FEES

GENERAL

- In order to accommodate the introduction of the protocol process, an optional two-stage approach was developed to give both institutions and students greater flexibility.
- Compulsory non-tuition related ancillary fees are to remain at 1993-94 levels unless a protocol is in place.
- An institution's governing body may not unilaterally change the text of a protocol agreed to by its administration and student government representatives, but shall refer any concerns back to those who developed the text.
- In the event that an eligible student government chooses not to nominate a representative for the purpose of developing a protocol, the written support of that student government is not required for the approval of the long-term protocol. However, the terms of the protocol will still affect the students represented by the non-participating student government.
- Institutions with a multi-campus facility may wish to have multiple protocols documents to address the different compulsory non-tuition related ancillary fee configurations at their institution.
- A review process may be provided for within a protocol(s).

INTERIM (or FIRST STAGE) PROTOCOL

The option of an interim protocol was developed to permit fee increases or new compulsory fees for 1994-95 only.

There was no requirement to have an interim protocol.

This alternative approach allowed increases or new compulsory fees for 1994-95 provided that:

- the institution's administration and student government representatives reached agreement on the text of an interim protocol recognizing that the methods used for student input for these purposes would not prejudice the development of a long-term (or second stage) protocol;
- the students eligible to participate in the development of an approval of an interim protocol included all student government representatives. Other student representatives may also have participated in the development of an interim protocol with the concurrence of the administration and student government representatives.
- student agreement to the interim protocol was obtained through, at minimum, the support of the majority of student governments involved in the development of the protocol, who in turn, served on behalf of the majority of students paying compulsory non-tuition-related ancillary fees;
- written support from student government representatives for an interim protocol should have been obtained in compliance with the ministry's compulsory ancillary fee policy;

An interim protocol had the approval of the institution's governing body.

APPENDIX 5.2, PART B - SECTION I (CONTINUED)

While an interim protocol should not prejudice the development of a long-term (second stage) protocol, it can be used to facilitate the development of a long-term protocol. This approach requires the agreement of both the institution's administration and student government representatives.

LONG-TERM (or SECOND STAGE) PROTOCOL

A long-term (or second stage) protocol will come into affect provided that:

- the institution's administration and student government representatives reach an agreement on the text of a long-term protocol;
- the students eligible to participate in the development and approval of a long-term protocol include all student government representatives;
- the administration and the student government representatives jointly identify representative(s) to be involved in the development and approval of a long-term protocol when there are students who pay compulsory non-tuition related ancillary fees who are not represented through any of the institution's student's governments;
- student agreement to the long-term protocol is obtained through, at minimum, the support of the majority of students involved in the development of the protocol who, in turn, serve on behalf of the majority of students paying compulsory non-tuition-related ancillary fees;
- the long term protocol has the approval of the institution's governing body.

APPENDIX 5.2

PART B - SECTION II

EXAMPLES OF COMPULSORY NON-TUITION-RELATED ANCILLARY FEES THAT MIGHT BE REQUIRED FOR INCLUSION IN PROTOCOL

1. HEALTH/INSURANCE FEES

2. STUDENT ACTIVITY FEES

   Student activity fees are those fees, the revenue from which is not applied to the costs of instruction in any course or program normally offered for credit toward an eligible degree, diploma or certificate, but is applied to the costs of enhancing the cultural or social or recreational life of the students, or to provide other non-academic services to students. This definition excludes academic services such as library, computing and learning centre services.

3. ATHLETIC FEES

   Athletic fees are those fees, the revenue from which is not applied to the costs of instruction in any course or program normally offered for credit toward an eligible degree, diploma or certificate, but is applied to the costs of providing athletic or recreational services to student or the costs of athletic associations or the costs of institutional athletic teams.

4. TRANSPORTATION/PARKING FEES

5. HOUSING PLACEMENT FEES

   Institutions may charge compulsory ancillary fees for the total costs of placing students in housing.

Note: In some cases, these or other compulsory non-tuition-related fees may be combined into a single student service fee. Such combination fees are also examples of a fee which might be incorporated in a protocol.

APPENDIX 5.2

PART C

FEES FOR FIELD TRIPS, MATERIALS AND SERVICES WHICH ARE EXEMPTED FROM SECTION 5.2.7

1. FIELD TRIP FEES

   Institutions may charge a compulsory ancillary fee for the reasonable, direct costs of travel and accommodation of students on compulsory field trips. Compulsory ancillary fees cannot be charged for such things as salaries and benefits or travel and accommodation of faculty, or for any specific tuition-related activities for any compulsory field trips.

   Compulsory ancillary fees cannot be charged for any component of out-of-province compulsory field trips in compulsory courses (as defined in Section 5.2.2). [Exemptions may be granted by the ministry for reasonable costs of compulsory out-of-province field trips in compulsory courses for institutions located near inter-provincial or international borders.]

2. FEES FOR LEARNING MATERIAL AND CLOTHING RETAINED BY THE STUDENT (E.G., DENTAL KITS)

3. FEES FOR MATERIAL USED IN THE PRODUCTION OF ITEMS WHICH BECOME THE PROPERTY OF THE STUDENT

4. FEES FOR MATERIAL OR SERVICES WHERE THE INSTITUTION ACTS AS A BROKER WITH A VENDOR FOR THE STUDENT

   These are fees paid by students to the university which do not produce net revenue for the institution but instead are set and levied through an agreement with a vendor. In these cases, the institution is neither the manufacturer nor supplier of the material or service being purchased. Similarly structured fees, where student governments serve in the "broker" role, are considered student government fees -- see Section 5.2.8 (i).

APPENDIX 5.2

PART D

ELIGIBLE COMPULSORY NON-TUITION-RELATED ANCILLARY FEES ASSOCIATED WITH WORK TERM PLACEMENTS

Institutions may charge compulsory ancillary fees for the total costs of placing students in jobs for work terms. The following types of costs will be considered eligible for coverage:

i) placement-service costs including:

- salaries and benefits of that portion of each position directly related to the provision of placement services and work-term activity, including such positions as placement directors, officers, assistants and administrative and support staff; and

- non-salary expenditures attributable to the provision of placement services and work-term activities including travel, telephone, mailing/postage, printing, photocopying, publicity, computing, equipment and furnishing, supplies and expenses, and external meetings, etc.; and

ii) maintenance costs of space used for placement service, including costs of utilities, custodial service and security of this space. Eligible space should include:

- the space used for administrative and professional placement staff; and

- interviewing or meeting rooms used in the placement function.

The costs of space used for part of the time for other purposes should be adjusted according to the proportion of usage for placement service.